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General

Jiang Zemin Receives Credentials From Foreign Ambassadors

OW2608090994 Beijing XINHUA in English
0829 GMT 26 Aug 94

[Text] Beijing, August 26 (XINHUA)—Chinese President Jiang Zemin received credentials from new foreign ambassadors to China here today.

They are Sierra Leonian Ambassador Mohamed Lamin Kamara, Moroccan Ambassador Abderrahim Benabdelil, head of the delegation of the European Union's European Commission Indymion Wilkinson, Polish Ambassador Zdzislaw Goralczyk, and Oman Ambassador Abdullah bin-Muhammed bin-Abdullah Al-Farisi [names as received].

They arrived in Beijing on August 13, 15, 19, and 20, respectively.

Qian Qichen, Takako Doi Discuss DPRK, Nuclear Issues

OW2708112794 Tokyo KYODO in English 1052 GMT
27 Aug 94

[Text] Beijing, Aug 27 KYODO—Chinese Foreign Minister Qian Qichen expressed reluctance Saturday [27 August] to pressure North Korea on its nuclear program, citing the north's "Juche" policy of self-reliance, Japanese officials said.

Qian made the observation in a meeting with Japanese House of Representatives Speaker Takako Doi, the officials said.

Qian also told Doi that North Korea and the United States have reached a basic agreement on nuclear energy and Pyongyang's nuclear issue is moving in the right direction.

Doi told the Chinese foreign minister that she was shocked by China's nuclear testing in June, the officials said, adding Doi called on Beijing to freeze such testing.

Qian responded that China has carried out nuclear tests less frequently than other nuclear powers and advocated a total ban on nuclear testing.

The Chinese foreign minister characterized the nuclear non-proliferation treaty as a defective pact because of its lenience toward the nuclear powers, according to the Japanese officials.

KYODO reported Doi later met with President Jiang Zemin who told her China's nuclear program is aimed at lessening foreign threats.

Referring to the nuclear non-proliferation treaty, which comes up next year for renewal, Jiang said the Chinese Government is dealing with the matter through working-level talks.

Foreign Minister Urges 'Destruction' of Nuclear Weapons

HK2908050294 Beijing ZHONGGUO XINWEN SHE
in Chinese 1201 GMT 27 Aug 94

[By reporter Li Wei (2621 0251)]

[Text] Beijing, 27 Aug (ZHONGGUO XINWEN SHE)—Vice premier and Foreign Minister Qian Qichen reaffirmed today that China stood for the thorough destruction of nuclear weapons. He said: All nuclear powers in the world not only should scale down nuclear tests, but also should pledge not to make preemptive strikes with nuclear weapons. In addition, they should make efforts to eventually destroy nuclear weapons thoroughly.

Qian Qichen held that following the end of the Cold War, the state of confrontation between two nuclear powers no longer existed. Therefore, a greater possibility has emerged for reaching an agreement on comprehensively banning nuclear weapons.

Qian Qichen said: China has always adopted an attitude of exercising great restraint toward nuclear tests. Of all countries possessing nuclear weapons, the number of nuclear tests carried out by China is the smallest.

While meeting this morning with Takako Doi, speaker of the House of Representatives of the Japanese Diet, he was asked by the speaker about China's attitude toward nuclear tests.

Speaking about Sino-Japanese relations, Qian Qichen said: Japan's new government has attached great importance to its relations with China, and China is happy about this. That China and Japan should continue to develop long-term, stable, and good-neighborly relations of friendship is very important for the stability and development of the Asia-Pacific region, and particularly the East Asian region.

According to another report, Qian Qichen also met with Vunduawe Te Pemako, director of the Presidential Office of Zaire this morning.

Qian Qichen said: China hopes various African countries will maintain stability, and will find ways and modes suited to their development.

Qian Qichen stressed: China is active in developing exchanges with various African countries, and will not interfere in the internal affairs of African countries. This policy will not change.

Vunduawe asked Qian Qichen to convey a letter to President Jiang

Zemin from Zairean President Mobutu.

Li Zhaoxing on Development at UN Preparatory Meeting

OW2808135094 Beijing XINHUA Domestic Service in Chinese 0803 GMT 26 Aug 94

[Text] United Nations, 25 Aug (XINHUA)—Li Zhaoxing, head of the Chinese delegation, said today: In view

of the differences in historical background, culture and traditions, and the political system, all countries are entitled to formulate their social development objectives, policies, and action plans in light of their national conditions.

He made the remarks at the UN Social Development Summit Meeting's second preparatory meeting. This meeting participated in by delegations from various countries was to prepare a declaration and an action program for the World Summit Meeting on Social Development to be held in Copenhagen, Denmark's capital, in March 1995.

He said: Promoting harmony among humanity and sustained development and making contributions to safeguarding world peace should become a major goal of the summit meeting on social development. In the meantime, we should pay attention to the contradictions between overpopulation and limited resources, attach importance to protecting nature and the ecology, and make rational and fair use of the resources shared by mankind.

He hoped to make this meeting a turning point to promote international cooperation so that new progress can be made in social development worldwide. The Chinese Government is willing to make due contributions to the progress of mankind and social development.

At the preparatory meeting, representatives from various countries exchanged their views on issues related to social development, such as poverty, unemployment, development strategy, and international cooperation; and voiced their own viewpoints.

International Official Praises Family Planning Model

*OW2708153394 Beijing XINHUA in English
1503 GMT 27 Aug 94*

[Text] Shanghai, August 27 (XINHUA)—Dr. Halldan Mahler, a top official of the International Planned Parenthood Federation (IPPF), today praised China as a model for all countries, particularly developing countries, in family planning.

Addressing the annual meeting of the federation's Council for East Asia, Southeast Asia, and Oceania, now in session here, Mahler, secretary-general of the federation, said: "I first visited Shanghai ten years ago, but when I came back to the city again in 1993, I found tremendous changes there."

"The reason I recommended that the annual meeting be held in Shanghai was to enable all of us to witness the great achievements made in Shanghai in social, cultural and economic growth, as well as family planning," he said.

He expressed the belief that that approach will also make it possible for various countries to have a better understanding of how family planning is carried out in China so as to expand international co-operation in this area.

He said, "the IPPF holds that family planning is an elementary human right and that the balance between global resources and the global environment is essential to mankind's happiness, prosperity and peace.

"I think providing high-quality family planning services to people of the child-bearing age is an important component of human rights," he told the meeting, attended by delegates from 17 countries and regions.

Established in 1952, the federation now has 134 member countries.

Chinese delegates to the meeting said that of the 13 million residents of Shanghai, 970,000 are members of the municipal family planning association.

The city's natural population growth rate has been declining since the mid-1960s, one delegate said.

Last year Shanghai became the first Chinese city to register a negative growth in population, he added.

The average life expectancy in Shanghai is now 76, matching the figure in major cities in developed countries.

Mahler said that his federation encourages various countries to set up national family planning associations and urges governments to assume responsibility for promoting family planning.

The world population is currently facing challenges in six aspects, including smaller families, sex education among the youth and women's participation in social affairs, he explained.

"China has made noticeable progress in all these areas," he said.

The secretary-general also praised the Chinese Government for its efforts to effectively organize the people to take part in family planning work.

"China has set a good example for developing countries to follow in controlling the population growth, improving the educational quality of the population and speeding up economic growth," he said.

Hunan Holds International Symposium on Opening Up

*OW2808141094 Beijing XINHUA in English
1339 GMT 28 Aug 94*

[Text] Changsha, August 28 (XINHUA)—An international symposium on Hunan's opening up and development opened today in Changsha, capital city of central China's Hunan Province.

The move aims to promote the province's opening to the outside world and to boost its economic development.

Nearly 60 overseas representatives from countries and regions around the world, including the Republic of Korea, Japan, the United States, the Netherlands, Hong

Kong and Taiwan, took part in the meeting, which is sponsored by the Hunan Provincial Government.

The symposium will discuss the strategic policies for the future economic development of the province, including expansion of its open economy, adjustment of industrial structure and improvement of investment climates.

During the three-day meeting, a number of projects for Sino-foreign cooperation will be offered by the province.

Article Views Propaganda 'Failure' During Gulf War

OW2908014794 Tokyo MAINICHI SHIMBUN in Japanese 20 Aug 94 Morning Edition p 26

[Sixth in the series "Rabbits' Ears and Doves' Dreams"; this installment entitled "Japan Loses the Propaganda War During the Gulf Crisis; Civilian Contribution Was Concealed by the Foreign Ministry Out of Fear of Terrorism"]

[Text] The Persian Gulf crisis and the ensuing war from 1990 to 1991 impressed on the world the importance of "intelligence warfare." Japan was criticized for its lack of contributions to the international effort, despite the fact that it contributed as much as \$13 billion (approximately 1,700 billion yen) in cash. In a well-known incident, the name of Japan was not listed in a U.S. newspaper advertisement bought by the Kuwaiti Embassy expressing thanks to all the nations [that helped liberate it from Iraq]. Japan suffered a defeat in a propaganda war concerning making known its actual contributions. Now that almost four years passed since then, the realities have surfaced.

A letter of thanks reads as follows: "The 18th Air Transport Unit hereby expresses its gratitude to your company and the Japanese Government, which donated the water purification equipment, which is functioning satisfactorily." The U.S. troops who were deployed during the Gulf crisis sent this letter to the Ace Water Treatment Company, Ltd., of Chuo ward in Tokyo on 15 December 1990, four months after the Iraqi invasion. The firm is a manufacturer of and dealer in equipment designed to desalinate sea water.

In November, four technicians of that company went to Saudi Arabia on Foreign Ministry official passports to teach the desalinization technique. Their achievement was highly appreciated. This "international contribution" was never made known, although Japan was at that time under increasingly severe criticism by the international community, which said that "Japan is contributing nothing but money." This criticism took place because the Foreign Ministry had advised the company "not to publicize the dispatch of its technicians, lest this invite terrorist attacks," and the company kept the dispatch highly secret.

On the night of 5 September 1990, the SS Sea Venus (approximately 10,000 tons), the first government-contracted support ship bound for the Middle East, was

unable to leave the Nagoya port pier because its crew members refused to serve on her.

The ship was supposed to transport four-wheel-drive vehicles to the U.S. troops in the Gulf region. The government, for fear of opposition by the opposition parties, concealed this fact and told the crew that this trip was a "routine commercial voyage." THE NEW YORK TIMES, however, a U.S. newspaper, exposed the Japanese Government's "lie" and reported that "vehicles are to be transported by ship on the 5th [of September] to the troops stationed in Saudi Arabia, according to a high-ranking Japanese official." Upon learning this, the crew refused to transport materiel to the battlefield.

The high-ranking official was Yukio Okamoto, then the director of the First North American Affairs Division of the Foreign Ministry. Okamoto leaked the information to THE NEW YORK TIMES and a Japanese media source because, in his opinion, "it will be leaked anyway during the voyage, and that might do a disservice to the contribution if this information is presented maliciously." A top-secret government operation was thus first exposed in the United States by a bureaucrat's leak.

In Washington in August of that same year, Minoru Tanba, then councillor at the North American Affairs Bureau, was ridiculed by a U.S. counterpart who showed him a satellite photograph taken of the Persian Gulf. This U.S. counterpart said "more than 20 dots in this picture are all Japanese tankers. Do you let your people enter a dangerous marine area if they are there for commercial purposes (in spite of Japan's policy of not supplying manpower to the war effort)?" Upon hearing of this, Transportation Ministry officials expressed strong dissatisfaction, saying "this is U.S. agitation," and they asked, "How can they be identified as Japanese tankers through this photograph?"

At around that time, the United States was demanding that Japan supply special ships designed to transport vehicles. Japan's response was negative, but Transportation Ministry officials were surprised upon seeing the list of ships that the United States had in mind—a list that was a product of a high-quality information collection network. In the list were the names of ships with specifications which matched the United States' demand.

"The Gulf humiliation." This is how Foreign Ministry officials described Japan at this time—a Japan which had been troubled by a lack of information.

The Foreign Ministry last year set up the Consolidated Foreign Policy Bureau to improve its information collecting capability, and the Office of Prime Minister was also streamlined in that respect. However, the time has yet to come to actually make the most of the lessons learned during the Gulf crisis.

Column Blames U.S. for Cuban Migration Problem*HK2908050494 Beijing RENMIN RIBAO in Chinese
24 Aug 94 p 6*

["International Forum" column article by Gu Ping (0657 1627): "Harming Others and Damaging Oneself"]

[Text] A large number of Cubans has thronged into Florida recently. To halt the illegal tide, U.S. President Clinton announced a change in the policy of taking in Cuban illegal immigrants. As a result, Cubans who arrived in the United States were arrested and escorted to the U.S. military base in Guantanamo Bay, Cuba. At the same time, the United States accused Cuba of encouraging its people to flee to the United States, thus creating trouble for it.

Clearly the United States has put the blame on its victim. In the early 1960's, the United States applied sanctions against Cuba in order to overthrow the Cuban political power. This has caused Cuba economic losses of \$40 billion over the last 30 years, and has brought extreme difficulties to the Cuban people. Later, the U.S. Congress amended the immigration law to encourage Cubans to flee their country illegally. According to the new law, Cubans who emigrate to the United States illegally will be granted the "right to seek asylum," and one year after their arrival they will be granted the right of abode. It should be pointed out that the United States has never granted such a preferential policy to illegal immigrants from other countries. Since that time, Cubans have kept coming to the United States, resulting in the existing illegal tide. Therefore, the United States alone should be to blame for the situation. Clinton's order to stop Cuban immigrants was less effective. Some reports said that a large number of Cubans are now on their way to the United States.

It seems that the U.S. decision to change its policy of encouraging Cubans to flee their country was not designed to solve the illegal immigrant problem—they have an axe to grind. The day after announcing the change in the policy of granting Cuban immigrants "preferential treatment," the United States took a series of strong measures against Cuba, including banning Cubans in the United States from remitting money to Cuba; restricting chartered civilian flights between Miami and Havana; and accusing Cuba of human rights abuses at international organizations, including the United Nations. Clearly all these measures will serve only to increase Cuba's economic difficulties, instead of solving the illegal immigrant problem.

Some media critics have pointed out that by taking these measures, the United States tried to close its own doors and thus force Cuban migrants to return home so that it can smear Cuba's image and find an excuse to intensify its sanctions against Cuba and its interference in Cuba's internal affairs. If this is the case, the illegal immigrant

problem will become more and more formidable, and the United States will eat its own bitter fruit, while harming others.

Commentary Views Cuban Immigration Problems*OW2808202294 Beijing China Radio International in Mandarin to Asia 0900 GMT 27 Aug 94*

["International Commentary" by Hou Donghe; from the "Report on Current Events" program]

[Text] Recently, large numbers of Cubans have swarmed toward the United States. As a result, U.S. President Clinton had no choice but to announce a change in U.S. policy of accepting illegal Cuban immigrants. Thus, the Cuban immigrants issue has drawn people's attention, and Cuba and the United States have criticized each other over the issue. Mr. Hou Donghe, a commentator of this station, discusses this issue:

[Begin recording] How are you, everyone. This is Hou Donghe. Recently, large numbers of Cuban boat people have swarmed toward the city of Miami in the United States' Florida State. The U.S. Government arrested those who arrived in the United States and sent them to Guantanamo, a U.S. naval base in Cuba. At the same time, the United States accused Cuba of making trouble for the United States.

Such a U.S. accusation is evidently unfounded. The problem of Cubans illegally migrating to the United States has existed for a long time. Since the early sixties, in an attempt to subvert the Cuban regime, all U.S. Governments have adopted a hostile stand toward Cuba and imposed military and economic blockades and embargoes on Cuba. All this has caused economic losses of more than \$40 billion to Cuba over the last 30 years and more, creating great difficulties for the Cuban people. In 1966, taking advantage of Cuba's economic crisis, the U.S. Congress ratified a revised immigration law that encouraged Cubans to illegally run away from their country. The law stipulates that all Cuban immigrants illegally entering the United States not only will automatically be given political asylum, but also can become legal residents of the United States after they have lived in the United States for one year. This U.S. policy obviously has encouraged some Cubans to move to the United States through illegal means. Despite the Cuban Government's strong criticism that the U.S. authorities have encouraged and supported Cubans in moving out of their country through illegal means, the United States had deliberately continued its arrogant act and insisted on having its own way.

One thing that should be pointed out is that, over the last 30 years or so, the U.S. Government has adopted a preferential policy toward Cuban immigrants that is different from its policy toward immigrants from other countries, thus creating the current Cuban immigration tide. So, we can see that the current situation is of the United State's own making. However, the United States

had never expected that, this year, especially over the last month and more, the numbers of Cubans fleeing their country for the United States by hijacking ships or aircraft, or on self-made bamboo rafts or boats, would increase sharply. According to statistics, due to U.S. instigation and support, more than 5,000 Cubans have escaped to the United States in the first eight months of this year, three times as many as the same period last year. In such a situation, the U.S. Government was worried that the Mariel Port incident of 1980, in which 125,000 Cubans fled their country, might occur again.

On 19 August, President Clinton announced the U.S. Government's decision to step up economic sanctions against Cuba. The decision says that, starting 19 August, Cuban refugees would be banned from entering U.S. territory, and refugees intercepted on the high seas would be transported to the U.S. naval base in Guantanamo, Cuba, and be treated as ordinary refugees. At the same time, the U.S. Government would arrest and investigate those who receive Cuban refugees on the sea, and, if necessary, would resort to [using force]. This means that the United States has changed its policy toward Cuban refugees, which had been practiced for nearly 30 years.

The United States thought that by changing its Cuban immigration policy it would be able to curb the tide of illegal Cuban immigrants. However, the reality has just been the opposite of the U.S. Government's wish. Some Cubans have ignored the U.S. Government's policy change and continued to flee their country for the United States on rafts or boats. The refugee tide has continued to surge. According to reports, within the four days following the change in the United States' Cuban immigration policy, the U.S. Coast Guard intercepted nearly 6,000 Cuban refugees on the sea between Havana and Florida. The increasing tide of Cuban refugees has become a pressing problem the U.S. Government has to solve.

It seems that the U.S. decision to suddenly change its policy of encouraging illegal Cuban immigrants is not aimed at solving the problem of illegal Cuban immigrants, but at imposing new economic sanctions on Cuba. This can only worsen Cuba's economic difficulties.

In a televised speech on 24 August, Fidel Castro, Council of State president of Cuba, criticized the U.S. immigration policy, saying the United States should be responsible for the current illegal fleeing of large numbers of Cubans. He said the problem of Cubans migrating to the United States in large numbers is not an easy one for both the United States and Cuba. Therefore, he hoped that the United States and Cuba would discuss ways to solve the problem by digging into the problem's root cause. He emphasized several times that Cuba's economic difficulties resulting from the U.S. economic blockade are the main cause of the current exodus. It seems that the current tide of illegal Cuban immigrants has become a heavy burden to the United States. The United States has finally tasted the bitter wine it made.

Currently, the tide of refugees is continuing to surge, and both the United States and Cuba have expressed the wish to solve the problem through dialogue. Cuba's [title and name indistinct] said on 24 August that Cuba is willing to conduct unconditional dialogue on an equal basis with the United States. On 25 August, U.S. President Clinton said that the United States is willing to hold a dialogue with Cuba on the boat people issue. This has provided a ray of hope for solving the problem through negotiations. However, the key to solving the problem lies in the United States lifting its economic sanctions on Cuba, so the Cuban people can develop production, rebuild the country's economy, maintain its political and social stability, and decide their own future and development course, in the absence of foreign pressure and interference. But, whether the United States will make the aforementioned policy changes is still unknown. [end recording]

United States & Canada

Article Praises Improvement in Sino-U.S. Trade Cooperation

HK2808071594 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1143 GMT 25 Aug 94

["Special article" by reporter Si Liang (1835 5328): "Sino-U.S. Trade and Economic Cooperation Once Again Get on the Fast Track"]

[Text] Hong Kong, 25 Aug (ZHONGGUO TONGXUN SHE)—Last May, U.S. President Clinton decided to renew China's most-favored-nation trading status and delink it from human rights. Meanwhile, the U.S. Government has adopted a practical and active posture in developing the China market and in facilitating cooperation. U.S. Commerce Secretary Brown is going to lead a large delegation, known as the "presidential mission for commercial expansion," to China to carry out "commercial diplomacy," in which it has fallen behind Germany, Japan, and France, and to strive for a larger share of the China market. During his visit, on which the United States is placing great hopes, Brown will negotiate with Chinese enterprise and trade officials over contracts valued at over \$6 billion. A high-ranking Chinese trade official also said a few days ago: China hopes that the Sino-U.S. trade and economic cooperation will be able to return to the fast track during the U.S. commerce secretary's visit.

The United States, a developed country with the strongest economic strength in the world today, has abundant funds and advanced technical equipment; whereas China, a developing country with the largest population, has rich manpower resources and a market with huge potential. With their respective superiorities, the economies of the two countries complement one another, which is bringing more and more opportunities to their bilateral trade and economic cooperation. In recent years, as far as U.S. trade with and investment in China

is concerned, there has not only been a huge increase in quantity but a number of new characteristics have gradually been manifesting themselves as well.

First, it is noteworthy that major companies and enterprises have been rapidly expanding the field of trade and economic cooperation after successively opening the China door. For example, following the sale of its 52 aircraft to China last year, the Boeing Company has reached another over \$5 billion's worth of agreements with China this year. By the end of the year, over 200 Boeing aircraft worth over \$10 billion will be used by China. With the introduction of its newest products, the Apple Computer Company is planning to gain a 20 percent share of China's personal computer market. The Motorola Telecommunications Company has made more investment in the mainland and intends to gain a 25 percent share of the telecommunications market there over the next five years.

Second, large companies and financial groups have vigorously taken action to enter the investment market in China, exhibiting a strong tendency to invest in infrastructure projects. For example, in order to build power plants, the United States has invested \$3.5 billion in Sanya City, Hainan, \$2 billion in Henan, \$1.2 billion in Zhangzhou, Fujian, and \$500 million in Nanpu, Fujian. It is known that most of the projects to be discussed during Brown's upcoming visit to China are related to electric power generation, communications, telecommunications, and other infrastructure projects.

Furthermore, increasing numbers of medium and small enterprises have jumped on the bandwagon to enter the China market with the active support and encouragement of the U.S. Medium and Small Businesses Administration. China will also be holding the first Sino-U.S. trade talks on medium and small enterprise investment in Beijing this coming November.

Finally, the U.S. Government is beginning to face the objective reality of fierce competition in the China market and has taken measures to support U.S. industrialists and businessmen in their participation in effective competition and, in particular, is seeking to put them in a favorable position when competing with their European counterparts. Sources have indicated that the U.S. State Department will resume China's trade development aid loans, will dramatically increase special long-term low-interest loans to China, and will make more investments in some of China's key projects. The U.S. Government-administered Import and Export Bank has already given a much stronger financial backing to export to China. Meanwhile, the United States also hopes to more extensively adopt the "BOT" (building, operation, and transfer) form of investment in China to raise funds for key investment projects.

At present, all U.S. professions and trades have intensified their efforts to set up business bases in various areas

in mainland China to take advantage of business opportunities and to participate in the competition. The practical U.S. commercial policy toward China will undoubtedly help U.S. businessmen gain a greater share in the China market and, at the same time, will contribute to the rapid and healthy development of Sino-U.S. trade and economic cooperation.

Reportage on Visit of Commerce Secretary Ron Brown

Delegation Arrives in Beijing

OW2708160694 Beijing XINHUA in English 1526 GMT 27 Aug 94

[Text] Beijing, August 27 (XINHUA)—U.S. Secretary of Commerce Ron Brown, leading a delegation of more than 50 people on a presidential mission, arrived here this evening for a six-day visit to China as a guest of Chinese Minister of Foreign Trade and Economic Cooperation Wu Yi.

During his stay in Beijing, Brown will explore ways to further improve bilateral trade and co-operation, exchange views on the implementation of various plans proposed by the Sino-U.S. Joint Commission on Commerce and Trade in April, and sign a memorandum of understanding on bilateral industrial co-operation.

As well as meeting with Chinese leaders, Brown will also meet senior officials in charge of the electronics, electric power, Machinery, chemicals, aviation, and posts and telecommunications industries.

Moreover, Brown will deliver a speech on the future of China's economic reforms to Chinese and U.S. entrepreneurs.

Before departing for Hong Kong, Brown is scheduled to travel to Shanghai and Guangzhou.

Visit To 'Help' Atmosphere for GATT Talks

HK2708032294 Beijing CHINA DAILY in English 27 Aug 94 p 1

[By Wang Yong: "Brown's Trip Raises Hope of Gatt Re-Entry"]

[Text] U.S. Commerce Secretary Ron Brown's visit this weekend will help create a favourable atmosphere for negotiations over China's re-entry into the General Agreement on Tariffs and Trade (Gatt), said trade ministry official Shi Jianxin in Beijing yesterday.

"We believe Brown's visit will prompt the U.S. to offer a reasonable and realistic package concerning China's Gatt access," said Shi of the Ministry of Foreign Trade and Economic Co-operation (MOFTEC).

The U.S. has recently shown willingness to be flexible over the terms of China's access to the world trade body.

Shi said the U.S. holds sway in the negotiations. "If it is the U.S.' sincere hope, then China's re-entry into Gatt is hopeful."

Access negotiations, which have continued for more than eight years, have "entered a critical stage", said Shi, who is deputy director general of Moftec's Department of American and Oceanian Affairs.

"We are sincere and earnest in our bid to resume our contracting party status in Gatt, and we are preparing to submit a package deal of concessions in industrial products, agricultural products and trade in services to Gatt," he said.

He insisted that China must be treated as a developing country in Gatt.

The Gatt Working Party on China will convene for the 19th session in Geneva next month.

Besides a stimulus to Gatt negotiations, Shi said Brown's visit "is a good sign to U.S. commercial people that the U.S. government will actively support their operations in China."

U.S. companies have in some cases lost to European counterparts in bidding for Chinese projects because of lack of credit support from the U.S. Government or other kinds of financial organizations.

If the U.S. Import and Export Bank improved their support, U.S. businesses would fare better in the Chinese market, Shi said.

He also urged the U.S. to relax controls over technical exports to China, arguing that the restrictive measures were only the product of the Cold War.

During Brown's week-long visit, the Westinghouse Company is expected to sign a contract worth \$140 million for exports to a power station in Jiangsu Province in East China.

Wu Meets Brown, Urges Sanction Lifting

OW2908105994 Beijing XINHUA in English 1043
GMT 29 Aug 94

[Text] Beijing, August 29 (XINHUA)—Chinese Minister of Foreign Trade and Economic Cooperation Wu Yi said here today that success or failure of the talks on China's re-entry into the General Agreement on Tariffs and Trade (GATT) will have direct impact on the development of Sino-U.S. trade relations and the future of a new world trade system, and leaders of both countries have the responsibility to promote an early settlement of the issue.

Wu made the remarks during her talks with visiting Secretary of Commerce Ron Brown of the United States here this morning.

The two ministers exchanged views on a wide range of issues concerning bilateral economic and trade relations during the talks that lasted more than one hour.

They held that the development of a sustained and long-term business relations is not only in the common interest of the two countries, but also conducive to the steady development of world trade.

Wu said that China attaches much importance to Brown's current visit, who is the first U.S. cabinet member to visit China after President Bill Clinton's decision in May this year on extension of China's most-favored-nation (MFN) status and the separation of MFN from human rights.

She said she is convinced that Brown's visit will push forward the development of bilateral economic and trade relations.

On the issue of China's re-entry into GATT, Wu said that it is now the crucial time for the negotiations.

She pointed out that eight years have passed since China put forward its GATT re-entry application.

China's basic stand on the issue is to uphold a balance between rights and obligations, Wu stated.

China can only undertake obligations fitted to the level of its economic development, and will enjoy all rights granted to a member of the GATT and the World Trade Organization (WTO), including rights to developing countries, she said.

She added that the Chinese Government will not pay all prices for its re-entry into the GATT and that one can never expect China will make a deal at the cost of the nation's fundamental interest.

The Chinese minister stated that if China is rejected from the GATT and WTO, it will no longer be bound by the commitments already made.

And China will continue its reform and opening-up policies but it will do so according to its own needs and its own timetable, and it will not undertake any binding obligations, Wu said.

She pointed out that China will unswervingly hold the stand that it can by no means be deprived of the basic rights granted to their members by the GATT and WTO.

It was learned that China will present a package plan on the settlement of China's re-entry into the GATT in the next few days, which will include informal documents of the Chinese protocol and revised concession schedules concerning agricultural and non-agricultural products, as well as service trade.

Wu noted that through these moves, China intends to frankly and sincerely tell the contracting parties the maximum extent of its concessions and its wish for accelerated negotiations on the protocol.

She expressed the hope that the package program will help contracting parties to make the final decision.

Wu said that the GATT issue is an important aspect of Sino-U.S. relations, adding that the U.S. side should not ask too much from the Chinese side concerning China's re-entry into the GATT.

She hoped the U.S. side should take practical moves to conclude the negotiations, and leaders of both sides have the responsibility to promote an early settlement.

She continued that success or failure of the negotiations will have a direct impact on the healthy development of Sino-U.S. bilateral trade relations and the future of a new world trade system.

This requires leaders of both countries to show foresight and make a resolute and wise decision on the issue at the crucial moment, proceeding from the general interest of world trade development and the basic interest of the two countries, Wu said.

Wu urged the U.S. to lift its sanctions against China as soon as possible, saying that the U.S. still keeps some of its sanctions against China initiated in 1989, which include restrictions on high-tech export to China, and suspension of activities of the U.S. Trade Development Agency (TDA) and Overseas Private Investment Corporation (OPIC).

She noted that these sanctions have brought about disadvantageous impact on bilateral trade, especially on U.S. export to China. As a result, China has shifted to other countries to import many projects which it had planned to import from the U.S.

She said that the U.S. eyes the Chinese market and China needs U.S. technologies. Such mutual needs constitute the important basis for the expansion of bilateral trade and economic and technological cooperation.

If the U.S. side only seeks an entry into the Chinese market, but does not like to relax its restrictions on high-tech export to China, which is its most competitive field, many Chinese users will thus lose confidence and interest in their trade with the U.S., said Wu.

She stressed that only a lift of sanctions can create an equal and good atmosphere for discussions of issues of mutual interest to both countries, and more favorable conditions for further expansion of bilateral trade and cooperation.

Brown said that the U.S. fully understands the importance of China's re-entry into the GATT to China and to the world trade [as received], adding that the U.S. will continue to support China's re-entry and will show necessary flexibility on the issue, so that China will enter the GATT and the WTO at an early date.

He spoke highly of China's efforts to protect intellectual property rights, and especially its achievements in legislation concerning such protection. He hoped that China will strengthen law enforcement in this regard.

During the talks, the two ministers also exchanged opinions on service trade, textiles trade, anti-dumping, and holding seminars on laws, infrastructure and investment.

After the talks, Wu met with U.S. entrepreneurs who have come with Brown.

Beijing Mayor Meets Brown

OW2808142294 Beijing XINHUA in English 1407
GMT 28 Aug 94

[Text] Beijing, August 28 (XINHUA)—Mayor Li Qiyang of Beijing, meeting with visiting U.S. Secretary of Commerce Ron Brown here today, expressed the hope to further strengthen the economic and trade relations between Beijing and the United States.

Li said that good progress has been made over the past few years in trade and economic cooperation between the Chinese capital and the United States. By the end of July, Li told Brown, the United States had set up 1,380 joint ventures in Beijing, with direct investment of 1.468 billion U.S. dollars. Meanwhile, Beijing had established 13 enterprises in the U.S., with a total investment of more than 10 million U.S. dollars.

"This indicates that economic and trade cooperation has brought Beijing together with the United States", the mayor added.

According to statistics, the export volume from Beijing to the U.S. last year hit 190 million U.S. dollars, while Beijing imported 180 million dollars worth of goods from the U.S.

Brown, who visited Beijing in 1987, was surprised by the changes in the city and promised to further expand commercial cooperation between his country and Beijing.

Earlier today, Brown and his party, who are here on a six-day visit to China as guests of the Chinese Minister of Foreign Trade and Economic Co-Operation Wu Yi, toured the Great Wall and the Forbidden City.

Electronics Minister, Brown on Cooperation

OW2908091394 Beijing XINHUA in English 0903
GMT 29 Aug 94

[Text] Beijing, August 29 (XINHUA)—Chinese Minister of Electronics Industry Hu Qili and visiting U.S. Secretary of Commerce Ron Brown had a 30-minute discussion on promoting cooperation in the electronics industry here today, the second day of Brown's China tour.

At the end of the meeting, the two ministers attended the signing ceremony of a contract on establishing a hi-tech joint venture, the Jitong Information Network Research and Development (Beijing) Company, Ltd.

Under the contract, Jitong will use IBM's advanced technologies in support of China's "Golden Bridge", "Golden customs" and "Golden Card" projects to develop an advanced data network and other major computer application projects for China.

Jitong has a registered capital of nine million U.S. dollars, which will be equally contributed by the two contracting parties, the China Ji Tong Communication Company and the IBM China Company, Ltd.

Robert Savage, chairman of IBM China Company Ltd., described the new joint venture as "a milestone in the development of China's information industry."

Trade Minister Meets Brown

OW2908103994 Beijing XINHUA Domestic Service in Chinese 0857 GMT 29 Aug 94

[By reporter Zhang Yijun (1728 4135 0193)]

[Text] Beijing, 29 Aug (XINHUA)—During talks with visiting U.S. Commerce Secretary Ronald Brown today, Wu Yi, foreign trade and economic cooperation minister, said: The success or failure of talks on China's readmission to GATT will directly affect the development of Sino-U.S. economic relations and trade, as well as the future of the new world trade system. High-level leaders of the two countries have a duty to promote the solution of this issue at the earliest possible date.

During the talks, which lasted more than an hour, the two cabinet ministers exchanged views on a wide range of issues in bilateral economic relations and trade. They maintained: The development of long-term and sustained commercial relations and trade not only conforms to the common interests of the two countries but also benefits the stable development of world trade.

Brown is the first cabinet member to visit China following President Clinton's announcement in May this year of the decision to extend China's most-favored-nation status and to decouple it from human rights. Wu Yi said: China attaches importance to Brown's visit and considers it a major event in the history of Sino-U.S. economic relations and trade. It is believed that the delegation's visit is bound to further advance the development of bilateral economic relations and trade.

On the question of China's readmission to GATT, Wu Yi said: It has been eight years since China filed an application to rejoin GATT. Negotiations have now entered a crucial stage. China's basic stand on accession to GATT is that rights and obligations should be balanced. China can only undertake obligations commensurate with its economic development level and should fully enjoy the rights of GATT and World Trade Organization [WTO] members, including those conferred on developing countries. This decision of the Chinese Government's was not made at all costs [bu xi yi qie dai jia

di 0008 1917 0001 0434 0108 0116 4104]. In addition, China cannot be expected to barter away its fundamental interests.

Wu Yi indicated: If China is excluded from GATT and the WTO, it will no longer be bound by the promises it has made. To be sure, the program of reform and opening up will continue. However, it will be based on China's own needs and schedule, and no binding obligations will be undertaken.

She pointed out: Under no circumstances can China be deprived of the basic rights that GATT and the WTO confer on their members. This stand is unshakable.

It is understood that China will unveil a package deal for solving the issue of its readmission to GATT over the next few days—the Chinese side's unofficial protocol document, plus improved schedules of reductions and concessions for agricultural products, nonagricultural products, and service trade.

Wu Yi said: The purpose of this move is to frankly and sincerely advise contracting parties of the maximum reductions and concessions that China can make on the three schedules of reductions and concessions, as well as its desire to expedite negotiations on the protocol. The Chinese side hopes that the new package deal will help the contracting parties make a final decision.

She said: The issue of China's readmission to GATT is an important aspect of Sino-U.S. relations. The United States should not demand excessive prices for China's GATT readmission [dui zhong guo fu guan di yao jia yao shi ke er zhi 1417 0022 0948 1788 7070 4104 6008 0116 6008 6624 0668 5079 2972]. It is hoped that Washington will take practical measures to complete the talks for China's GATT readmission. High-level leaders from both countries are duty-bound to push for an early settlement of this issue.

Wu Yi pointed out: Whether the talks succeed or fail will have a direct bearing on the sound development of Sino-U.S. economic and trade relations, as well as the future of the newly founded world trade system. This requires high-level leaders of the two countries to proceed from the overall situation of world trade development and from the vital interests of the two nations and, with the foresight and sagacity of statesmen, to make a resolute and wise decision at a crucial moment in history.

Wu Yi also urged Washington to promptly lift sanctions against China. She said: To date, the United States retains some of the sanctions against China which were imposed in 1989. These include restrictions on the export of high-technology to China and the termination of U.S. Trade Development Agency projects and overseas activities by privately-funded companies. U.S. sanctions against China have brought many adverse effects to bilateral trade, especially U.S. exports to China, thus

causing a diversion to other countries of many Chinese projects originally planned to be imported from the United States.

She said: Washington sets store by China's market, and Beijing needs U.S. technology. Such a complementary relationship is an important foundation for expanding bilateral trade and economic and technological cooperation. If Washington only demands access to Chinese markets without relaxing restrictions on the export of high-technology to China, which is precisely the most competitive area of U.S. exports, then it will deprive many Chinese consumers of confidence and interest in U.S. trade.

Wu Yi pointed out: Only by lifting sanctions will it be possible to create a sound atmosphere for the two nations on an equal footing to discuss issues of common interest and to create favorable conditions to further expand bilateral trade and cooperation.

Brown said: Washington is fully aware of the importance of GATT readmission to China. The United States will continue to support China's bid to be readmitted to GATT and will demonstrate the necessary flexibility on this issue to facilitate China's early readmission to GATT and membership of the WTO.

Brown spoke highly of China's efforts to protect intellectual property rights [IPR], especially its achievements in legislation for IPR protection. However, he urged Beijing to step up efforts to enforce the law in order to increase the effectiveness of IPR protection.

At the talks, the two also discussed issues related to service trade, textile trade, and anti-dumping, as well as matters concerning the joint sponsoring of seminars on law and infrastructure investment.

After the talks, Wu Yi met U.S. entrepreneurs accompanying Brown on the visit.

'Expert' Views New U.S. Policy Toward China

Part 1

*HK2808082194 Hong Kong WEN WEI PO in Chinese
28 Aug 94 p A2*

[By staff reporter Liu Chun (0491 5028): "Initial Signs of the United States' New Policy Toward China—an Interview With U.S. Affairs Expert Ding Xinghao (First Installment)"]

[Text] Entrusted by President Clinton, U.S. Secretary of Commerce Brown led a sizable "presidential business expansion delegation" to begin an eight-day visit to China on 27 August.

As Mr. Ronald Brown said before he left home, his China trip has great significance in two areas. First, this is the first visit by an incumbent cabinet member of the United States to China since the decision was made to separate trade from human rights. Second, the China trip

will lay a foundation for the establishment of part of the United States' "most important commercial relationship in the 21st century."

When being interviewed by WEN WEI PO, Professor Ding Xinghao, director of the U.S. Research Office of the Shanghai International Affairs Research Institute and chairman of the Society for U.S. Studies, said that Mr. Brown's visit shows that, during the past six weeks since trade was delinked from the human rights issue, the initial signs of the United States's new China policy (especially the economic policy) which it is working out can now be discerned. This will play a positive role in grasping the opportunity for improving Sino-U.S. relations.

Ding Xinghao said: Both China and the United States are attaching importance to the development of their own economies in recent years, and this was demonstrated by China's economic reforms and the United States' program for reinvigorating its economy and reducing unemployment. Therefore, the two sides can find converging points of common interest in the development of bilateral economic and trade relations. Brown's visit is a proper step for promoting the development of bilateral relations.

Six weeks after President Clinton agreed to extend China's most-favored-nation status, he sent the secretary of commerce to visit China. This indicated that he had reaffirmed the necessity of exchanging visits between senior officials of the two governments in order to carry on consultations and overcome differences. Ding Xinghao maintained that this may be an important part of the Clinton administration's new China policy.

Although the visit by the "presidential business expansion delegation" headed by Brown is just one step in exchanging high-level visits in the economic and trade arenas, such visits are very likely to represent a benign beginning of the process of bringing Sino-U.S. relations into a brand-new stage across the board.

As the news analyses of some foreign news agencies have stated, the United States has sent a high-level trade delegation with an epoch-marking significance to China.

If the secretary of commerce's visit achieves the expected results, then what new economic policies toward China might the United States adopt?

Ding Xinghao said: If Brown's visit to China achieves substantial positive results, the United States may consider the step of lifting the economic sanctions imposed against China by the Bush administration after the 4 June incident in 1989 and may restore three major economic policies toward China:

First, the aid projects for promoting the development of China trade may be restored, and this will subsidize feasibility studies for American businessmen who plan to move business into China. Second, the China-related business of the Import and Export Bank of the United

States may be restored, and this will provide bank loans for American businessmen who import or export goods from or to China. Third, the China-related business of the Overseas Private Investment Council may be restored, and risk insurance may be available to American companies that are doing business in China. Undoubtedly, if these three economic policies are restored, they will greatly promote bilateral trade between China and the United States.

Ding Xinghao said: If the United States does not immediately restore these three economic policies, it is still very likely that it will gradually restore such policies within a relatively short time.

The U.S. Government hopes that stronger commercial relations will be built up with China through Brown's visit. Ding Xinghao said that the purpose of the action taken by the U.S. Government was obvious. First, this may further promote China's internal reform and opening up and may further expand the United States' trade with China, thus bringing benefit to a large number of American people. Second, this will lay a better foundation for bilateral cooperation in international affairs; in particular, the unity of Chinese and American interests will constitute a major factor for maintaining stability in Asia.

Before his visit, Brown himself also admitted that Clinton's China policy was in a "transitional stage" and that the U.S. Government was rapidly taking action to upgrade its relations with China. Brown himself is now making efforts to achieve this purpose.

Part 2

HK2908033094 Hong Kong WEN WEI PO in Chinese
29 Aug 94 p a2

[Second and last installment of report on interview with U.S. Affairs Expert Ding Xinghao by staff reporter Liu Chun (0491 5028) in Shanghai, 28 August: "'Presidential Mission' Entrusted to the Secretary of Commerce—Interview With U.S. Affairs Expert Ding Xinghao on Brown's Visit to China"]

[Text] Shanghai, 28 Aug (WEN WEI PO)—Prior to the visit to China by U.S. Commerce Secretary Ronald Brown, Japan and Germany—the largest global rivals of the United States—already had established new trade partnerships with China. This was shown by Chinese Vice Premier Zhu Rongji's visit to Japan, and German Chancellor Kohl's visit to China this year. The U.S. Government was aware that while they were arguing about human rights, the huge Chinese market might be seized by its major rivals. Professor Ding Xinghao, a famous U.S. affairs expert who is also director of the U.S. Research Office of the International Affairs Research Institute of Shanghai, held that while facing the extremely attractive Chinese market, Clinton sent Commerce Secretary Brown to carry out a presidential mission by leading a sizable "presidential business expansion delegation" and by taking the president's special

plane to visit China. The purposes are obvious: First, they want to contend with Japan and Germany for position in the Chinese market; second, they want to hold talks on China's return to GATT.

Professor Ding Xinghao said: At present, the GATT China work group is still discussing the issue of China's return to the organization. As all know, the tough attitude of the United States has made it impossible for China to return to GATT for a long time. If a consensus of opinion on the issue of China's return to GATT can be achieved during Brown's current visit to China, this will substantially speed up the pace of China's return to GATT.

Ding Xinghao said: Many China affairs experts in the United States are also aware that China is not a developed country. Many of them hold that China is a "country restructuring," from a developing to a developed country. On the basis of this opinion, it is likely that Brown and the Chinese Government may reach a compromise in their talks on China's return to GATT and achieve a result satisfying both sides.

The Sino-U.S. talks on the GATT issue may be related to things in more than 10 aspects. They mainly include the opening of the financial and service industries in China, the transparency of China's legislation and law enforcement, the foreign exchange transaction system in China, the rights of trade enjoyed by foreign businessmen in China, non-tariff trade barriers, price controls, export subsidies, and the protection of intellectual property rights related to trade.

In addition to the GATT issue, Brown also may discuss other trade issues with the Chinese Government, such as the issue of protecting intellectual property rights and the opening of the service trade. Professor Ding Xinghao held: The United States attaches great importance to these two issues because intellectual property rights and the service trade are both strong points in the U.S. economy. In the aspect of service trade, in particular, the United States requires China to open such industries as banking, insurance, advertising, tourism, and wholesaling to foreign companies. Its purpose is to expand U.S. companies' presence and interests in China.

Ding Xinghao pointed out: The positive stance taken by Brown for the current visit indicates that the United States is unwilling to lag behind other countries in the competition for the world's largest market. In particular, the United States is dissatisfied at the fact that it lags behind other countries in the Chinese market for infrastructural facilities and capital construction. Before he left for China, Brown said that the United States was aware of the fact that China would need to make several hundred billion dollars of investment in infrastructural facilities by the end of this century. This is the reason why Brown is leading a large trade and commercial delegation to China, and is taking cooperation in the field of infrastructural facilities as the main target of his visit.

Article Says Nation Leads U.S. in Human Rights

HK2708032094 Beijing CHINA DAILY in English
27 Aug 94 p 4

[By Yu Quanyu, vice-president of the China Society for Human Rights Studies: "China Leads U.S. in Human Rights"]

[Text] In the past few years, the U.S. Government, Congress and some notables have been attacking China for its "serious human rights violations."

However they only base their argument on the allegations of some Chinese dissidents. One of these dissidents is Fang Lizhi, who openly asserts that China should import a premier from another country and be placed under colonial rule again for at least another 300 years.

So I wonder whether those Americans who support Fang really care about China's human rights or not.

After a comparative study of the human rights records of China and the United States, I offer my general appraisal of China's human rights record:

Since the founding of the People's Republic of China in 1949, China's human rights conditions have fundamentally improved. The people are now masters of their country. We have won independence for our nation and realized equality between the sexes and for all ethnic nationalities. People's rights for a decent life and liberty are properly guaranteed, and living standards are rising year by year.

Due to inadequate natural resources and low economic and cultural development, China's human rights conditions are far from satisfactory. There are still shortcomings and problems, and sometimes even cases of human rights violations do occur.

However, an all-round comparison will show that China is, in many fields, ahead of the United States in human rights protection.

China and the United States each have a land area of more than 9 million square kilometres. But America's arable area is twice that of China, while China's population is four and a half times that of the United States. So, per capita, the amount of cultivated land in China is just one ninth that of the United States. According to World Bank statistics, China's per capita gross national product (GNP) is one eleventh that of the United States.

Although there is a big gap in resources and economic strength, the following illustrates the two nation's human rights records:

—Per capita caloric supply. In 1988, Americans caloric intake was 3,645 calories, while for the Chinese it was 2,630 calories, 20 per cent lower than in the United States.

—Life expectancy. In China it was 35 years before 1949, and 71 years in 1992. In the United States it was 76 years in 1992, five years longer than in China.

—Infant mortality. In the United States it was 1 per cent in 1988, while in China it was 3.1 per cent.

Though gaps still exist between the two countries in the above items, considering China's cultivated areas and per capita GNP, what China has achieved is remarkable.

—Death rate. In 1988 it was 0.9 per cent in the United States, while in China it was 0.7 per cent.

—Children living in single-parent families. At least one third of American children live with only one parent, while in China such children account for only 2 per cent.

—Life security. In 1990, 9.37 of every 100,000 people were murdered in the United States, while in China the figure was less than two in 100,000. In the United States, 300 in every 100,000 were injured in attempted murders, while in China the figure was seven in 100,000. More than 70 women in every 100,000 in the United States were raped, while the figure was four in 100,000 in China.

—Homeless people. As of January, there were 7 million homeless people in the United States. According to American news reports, each year 3 million people have to sleep in the street. Meanwhile, it is estimated that China has only 150,000 homeless people.

—Number of those frozen to death. About 130 people froze to death during the January blizzard which swept across many regions of the United States including Washington and Seattle. But in Beijing, which is located in the same latitude as Washington, DC, and Harbin, which is the same latitude as Seattle, not a single person has frozen in years.

—Number of prisoners. The United States, with a population of 260 million, has 1.1 million people serving jail terms, the ratio being 455 to 100,000, which is a world record. Yet in China the ratio was only 99 to 100,000 in 1990, less than one fourth of that in the United States.

—Rate of repeat offenders. The American rate is 41 per cent, while the Chinese rate is 8 per cent.

—Equality for all ethnic nationalities. China advocates not only national equality but also preferential treatment for the ethnic minorities.

—Sexual equality. The U.S. Government has admitted that the social status of the American women is not as good as in China. In the people's congresses at various levels, China's parliaments, women make up over 20 per cent of the deputies, while in the United States, the highest rate for women is 18.4 per cent.

In China, women's income is 77.4 per cent that of their male counterparts, while in the United States, it is 51 per cent. Female scientists and engineers make up 35 per cent of the total in China, while in the United States they make up only 12.2 per cent.

—Political freedom. Applicants for American visas have to state whether they are members of the Communist Party. Party members are denied entrance. Yet in China, party affiliation is not a condition when issuing visas to foreign applicants.

—America has not yet subscribed to the International Treaty of Eradicating All Forms of Racial Discrimination, the International Treaty of Prohibiting and Punishing Racial Segregation or the Treaty of Eradicating All Forms of Discrimination against Women. China has subscribed to all of them and faithfully complied with all their obligations.

In short, in my opinion, China has done a great deal for human rights; and in some aspects it has done better than America. Of course, there is still a lot more for us to do before the ultimate goal is reached.

Of China's current human rights problems, some are left over from ancient times, while others are new ones.

In my opinion, the old ones include:

—About 80 million Chinese still live below the poverty line. Most of them are in out-of-the-way, mountainous areas. Now people in richer areas are helping the poorer areas develop their economies so they can rise out of poverty by the year 2000. This is China's biggest "human rights issue."

—About 18.6 per cent of the people older than 15 are illiterate. Now China is going all out to develop its education system, as exemplified by "Hope Project." This is the second biggest human rights issue in China.

Then there are the new ones. For example:

—Prostitution, which was stamped out soon after the birth of the People's Republic, is again raising its ugly head in some areas. The government is doing its best to eliminate the practice.

—In some foreign-invested enterprises, in the absence of collective welfare bodies, workers are often badly treated.

In addition, there are also cases of violations by law enforcement officials, which also happen in other countries.

All these issues should be seriously dealt with so that people will enjoy full human rights.

Report on Cooperation With U.S. TV Station

OW2708143194 Beijing XINHUA in English 1320
GMT 27 Aug 94

[Text] Beijing, August 27 (XINHUA)—China's Yellow River TV station convened its first council meeting here today.

The meeting was attended by representatives of Chinese TV stations that provide programs to Scola TV Station of the U.S.

Yellow River TV Station was set up in July 1991 in Taiyuan, capital of north China's Shanxi Province. It specializes in providing Scola TV with news programs and features about China, and also with teaching programs.

Scola, based in McClelland, Iowa, is a global language-teaching TV station.

Yellow River TV makes and provides 14 hours of news and cultural programs in 21 subjects for Scola every week. The telecasting time is to increase to eight hours per day.

Northeast Asia

Reportage on Visit of Japanese Official Takako Doi

Jiang Zemin Meets Delegation

OW2708140694 Beijing XINHUA in English 1249
GMT 27 Aug 94

[Text] Beijing, August 27 (XINHUA)—Chinese President Jiang Zemin met with Takako Doi, speaker of the House of Representatives of Japan, and her party here today.

Speaking of bilateral relations, Jiang said China and Japan are close neighbors and have a long history of cultural exchanges.

Bilateral ties have entered a new period of all-round development and the two countries should set out from the present while looking to the future and carry on their friendship from generation to generation, Jiang said.

In spite of one unfortunate period in the history of bilateral ties, Jiang said, China hopes Japan will learn from history and keep going on the road of peaceful development.

He said Doi has always held a "clear-cut viewpoint"—which the Chinese side appreciates—on this issue.

Doi said Japanese-Chinese relations are good at present.

There have been changes in Japan's political situation in recent years, Doi said, but, as Prime Minister Tomiichi Murayama explained in his first policy address, Japan should assess history correctly, learn lessons from it and maintain its progress on the road of peace.

Present at the meeting were Chen Muhua, vice-chairperson of China's National People's Congress (NPC) Standing Committee, and Cao Zhi, secretary general of the NPC Standing Committee.

Meets With Qian Qichen

OW2708084294 Beijing XINHUA in English 0709
GMT 27 Aug 94

[Text] Beijing, August 27 (XINHUA)—Qian Qichen, Chinese vice-premier and foreign minister, met with Takako Doi, speaker of the House of Representatives of Japan, and her delegation here this morning.

During the meeting, Qian and Takako exchanged views on bilateral relations and international issues of common concern.

Qian noted in the meeting that there have been changes in Japan's political scene recently, saying: "We are glad to notice that the new Japanese Government attaches importance to the development of Sino-Japanese friendly relations."

Though drastic changes have taken place in the world, Qian said, such changes have less negative influence upon the Asia-Pacific region, especially eastern Asia.

The maintenance of long-term, good neighborly relations between China and Japan is very important to the region's economic development, political stability and friendly co-existence among various nations, Qian said.

Takako said that there are changes in Japan's political situation, and that it should remain stable at present.

She noted that all parties in the Japanese Government have expressed their wish to strictly abide by the Constitution and to further promote Japan-China friendly relations.

Offers Condolences for War Victims

OW2608161794 Beijing XINHUA in English 1501
GMT 26 Aug 94

[Text] Beijing, August 26 (XINHUA)—The visiting speaker of the House of Representatives of Japan's Diet, Takako Doi, today paid a visit to a museum in memory of anti-Japanese martyrs in Tianjin, to express her condolences to the Chinese laborers who were forced to work and later died in Japan during the War of Resistance Against Japanese Aggression.

Doi dedicated a wreath to the dead, on which she wrote "Remember history, look toward the future and pledge that there will be no more wars but only friendly co-existence".

The Japanese parliamentary leader went to Tianjin from Beijing this afternoon.

CPPCC's Wu Xueqian Receives Delegation

OW2908055294 Beijing XINHUA in English 0353
GMT 29 Aug 94

[Text] Beijing, August 29 (XINHUA)—Wu Xueqian, vice-chairman of the National Committee of the Chinese People's Political Consultative Conference (CPPCC),

met with a delegation from the Japan-China Junior Training Association headed by its Vice-President Nakae Yosuke here this morning.

The Japanese visitors arrived here yesterday as guests of the All-China Youth Federation. Apart from Beijing, they are also scheduled to visit the cities of Lanzhou and Xian in northwest China.

Japan Launches Satellite Via H-2 Rocket

OW2808111994 Beijing XINHUA in English 1103
GMT 28 Aug 94

[Text] Tokyo, August 28 (XINHUA)—Japan successfully put a 2-ton satellite into space with a domestically developed rocket today, marking the nation's entry into the lucrative satellite-launching business.

The H-II-2 rocket, carrying a 2-ton satellite into a geostationary orbit for telecommunications research, got off the ground at 16:50 local time (07:50 GMT) today at Tanagashima Island, 985 kilometers southwest of Tokyo.

Sources from the launching companies said that everything was normal after the rocket got off the ground.

The lift-off of the 50-meter long rocket was rescheduled for today after two failures on August 18 and 19. In the first attempt, a faulty fuel valve was found and had to be replaced. The second time saw its solid fuel booster rockets fail to ignite together with the main engine in the final seconds of countdown.

Today's success represents Japan's independence in executing its space program. The nation's previous rockets were designed and launched by the United States.

A group of Japanese companies spent a decade and 270 billion yen (about 2.7 billion U.S. dollars) developing the H-II-2, which has two main engines, burning liquid oxygen and hydrogen at high temperature and pressure to create thrust.

Japan launched its H-II-1 rocket on February 4.

Japan To Continue Study of EAEC Concept

OW2708144694 Beijing XINHUA in English 1421
GMT 27 Aug 94

[Text] Kuala Lumpur, August 27 (XINHUA)—Japan today reiterated that it will continue to study the concept of the Malaysian-proposed East Asian Economic Caucus (EAEC) before making any decision on it, failing to say yes or no to the initiative.

This was learned here today from officials of Japan and Malaysia after a two-hour discussion between Japanese Prime Minister Tomiichi Murayama and his Malaysian counterpart Mahathir Mohamed.

When briefing the reporters on the talks, Kishichiro Amae, deputy director-general for public information of

the Japanese Foreign Ministry, said Murayama told Mahathir that Japan understands EAEC and stresses its importance for all relevant countries.

Murayama noted that he appreciated Mahathir's move to talk directly with U.S. President Bill Clinton on the issue during his visit to Washington in May, according to amae, who said Mahathir reiterated EAEC is not a trading bloc but a forum to discuss questions arising from the region itself.

In order to reduce Malaysia's trade deficit with Japan, Mahathir proposed that Japan move the manufacturing of some of its intermediate products or parts to this country to reduce the cost and give more access to Malaysian exports.

Murayama said the issue could be further discussed in October when Japanese trade officials tour Southeast Asia.

Mahathir also advised that Japan receive more Malaysian students and set up schools or training centers in Malaysia especially in high technology areas. In response to this, Murayama promised to "consider positively", Amae said.

On the question of the Straits of Malacca, Mahathir asked Japan to take the lead to form some international conference for more contributions by users of the waterway to its safe passage in view of increasing expenditure by littoral states to combat pollution, accidents and piracy.

The Japanese prime minister promised to study the efforts together with the coastal states in order to reduce the dangers in the straits.

The Malaysian leader said his country will continue its "Look East" policy while anticipating further Japanese cooperation in this regard, amae said.

Mahathir suggested that Japan look to the future to develop relations with its Asian neighbors instead of dwelling on the past, saying that he would not recommend Malaysians to ask the Japanese Government for compensation for wartime crimes, Amae said.

Mahathir also expressed support for Japan's entry into the United Nations Security Council and urged Japan to play a more active role for peace and stability in Asia, Amae added.

A similar briefing was given separately by Malaysian Foreign Minister Abdullah Ahmad Badawi here today.

ROK Business Group To Set Up Joint Venture in China

SK2908091194 Seoul YONHAP in English 0802 GMT 29 Aug 94

[Text] Beijing, Aug 29 (YONHAP)—South Korea's Halla business group on Monday signed a joint-venture contract with a Chinese company to make heavy construction equipment.

Halla group Chairman Chong In-yong and Ma Shi-hai, head of the Beijing forklift truck main plant, inked the contract at the Great Hall of the People, pledging to set up a factory producing such heavy construction equipment as battery forklift trucks, engine forklift trucks, excavators and wheel loaders. Others participating in the signing ceremony were Li Shouren, vice minister of the Chinese machine-building and electronics industry, Li Runwu, vice mayor of Beijing city, and Halla group Vice Chairmen Chong Mong-kuk and Chong Mong-won.

The two sides agreed to invest 15 million U.S. dollars on a 50:50 basis in Beijing-Halla Construction Machinery Co. Ltd. They will begin construction of a 28-million-dollar forklift truck factory in Beijing at year's end which will be finished by the end of 1995.

Halla will begin full-scale manufacture of battery forklift trucks and engine forklift trucks in 1996 as a first stage, then expand production facilities to make excavators and wheel loaders. Annual production capacity will be 30,000 units, according to Halla.

Chairman Chong revealed his plan to actively take part in large-scale projects and resource development in China with the heavy machinery factory serving as momentum.

Halla established a large-scale joint venture for automobile parts in China, including caliper brakes, in May.

New Shipping Route Opens Between Shandong, ROK

OW2708144894 Beijing XINHUA in English 1427 GMT 27 Aug 94

[Text] Yantai, August 27 (XINHUA)—A new shipping route opened here today to link Yantai, a coastal city in east China's Shandong Province, and Pusan, the biggest port in the Republic of Korea (ROK).

It is only 514 nautical miles between Yantai and Pusan.

Yantai is one of the major ports in north China. With the development of the economic and trading relations between China and ROK, more and more ROK tourists and businessmen have come to Yantai every year.

The passenger flow on the new shipping route is estimated to come to at least 15,000 a year.

Southeast Asia & Pacific

Beijing To Send 'High-Powered' Team to Space Conference

OW2608143494 Beijing XINHUA in English 1251 GMT 26 Aug 94

[Text] Beijing, August 26 (XINHUA)—China will send a high-powered delegation to attend an upcoming regional conference on space applications for development, which is due to open in Beijing on September 19.

The conference, called the Ministerial Conference on Space Applications for Development in the Region of the Economic and Social Commission for Asia and the Pacific (ESCAP), will last for about a week.

The Chinese delegation will consist of members from 18 ministries, including the State Science and Technology Commission, the Ministry of Foreign Affairs, the Commission of Science, Technology and Industry for National Defense, the Chinese Academy of Sciences, the State Bureau of Technological Supervision, the State Planning Commission and the State Education Commission.

According to the preparatory committee of the conference, representatives from 58 Asia-Pacific countries and regions will participate in the meeting and also represented will be more than 40 international organizations as well as some developed countries such as the United States, Japan, France, Germany and Canada.

The forthcoming ESCAP ministerial conference will focus on such subjects as strengthening regional cooperation in space applications, coordinating plans of space applications and promoting the peaceful use of space technologies.

Country Launches Australian Communication Satellite

Sichuan Province Site of Launch

OW2708233994 Beijing XINHUA in English 2317
GMT 27 Aug 94

[Text] Beijing, August 28 (XINHUA)—China launched an Australian communications satellite about ten minutes after seven o'clock this morning at Xichang Satellite Launch Center in southwest China's Sichuan Province.

Optus B3, owned by Optus Communications Ltd., of Australia, was lifted into orbit with a Long March 2E launch vehicle.

The launch service contract was signed earlier this year between the China Great Wall Industry Corporation (CGWIC) and the U.S. Hughes Space and Communications International, Inc.

Further Satellite Launch

OW2808005994 Beijing XINHUA in English 0048
GMT 28 Aug 94

[Text] Xichang (Sichuan), August 28 (XINHUA)—China launched successfully an Australian communications satellite at 7:10 hours today at Xichang Satellite Launch Center in southwest China's Sichuan Province.

Optus B3, manufactured by the U.S. Hughes Space and Communications International, Inc. and owned by Optus Communications Ltd. (OCL) [expansion unknown], was lifted into orbit with a Chinese-made Long March 2E launch vehicle.

After 11 minutes of flight, according to reports from Xian Satellite Monitoring and Control Center in northwest China's Shaanxi Province, the rocket put the satellite into the anticipated transfer orbit at a position with a perigee of 187 kilometers, an apogee of 1,104 kilometers and a dip angle of 27.8 degrees.

The Hughes Corporation then took over the task of placing it into a synchronous orbit.

The launch services contract was signed on February 28, 1994 between the China Great Wall Industry Corporation (CGWIC) and the U.S. Hughes Space and Communications International, Inc.

China had previously launched two Hughes-made "Optus" satellites in accordance with a contract signed in November 1988.

This is the fifth launch by the "Long March 2E" carrier rocket. Developed by China Academy of Carrier Rocket Technology, the "Long March 2E" is 49.7 meters long, with four boosters and a payload of 9.2 tons.

Today's launch, broadcast live by China's national television station, China central television, was the 35th launch using a "Long March" carrier rocket.

Chinese, U.S. and Australian space experts were shown on the screen congratulating each other on the success and speaking about expanded international cooperation in space.

China plans to launch several other communications satellites for overseas clients next year with the "Long March 2E" carrier rocket.

Japan's Murayama Stresses Stable Sino-Japanese Ties

OW2708090994 Beijing XINHUA in English 0814
GMT 27 Aug 94

[Text] Singapore, August 27 (XINHUA)—Japanese Prime Minister Tomiichi Murayama stressed in an interview with a Singapore newspaper that a stable relationship between Japan and China is important to regional and world peace and stability.

Japan would continue to give priority to its ties with the world's most populous nation because a stable relationship was important not only for the two countries but also for peace and stability of the Asia-Pacific and of the world, Murayama said in his written responses to questions put forward by the STRAITS TIMES, which published the interview today.

The Japanese prime minister noted that in recent years, Japan-China economic relations have achieved broad expansion at a rapid pace.

"Furthermore, the content of our economic relationship is in the process of changing from a vertical to a

horizontal relationship," he said, adding that with China's economic development, this trend is expected to increase.

Murayama, 70, will arrive in Singapore on Sunday for a three-day official visit. He is now in Malaysia on the third leg of his eight-day Southeast Asian trip, which also brought him to the Philippines and Vietnam.

He said the visit would provide an opportunity for the new Japanese Government to explain its basic policies at the highest level.

Malaysia's Ibrahim Discusses Investment With Businessmen

BK2708115194 Kuala Lumpur Voice of Malaysia in English 0600 GMT 27 Aug 94

[Text] Malaysia wants to be an active participant in China's economic process of modernization and industrialization, particularly in areas where it has the capability. Deputy Prime Minister Anwar bin Ibrahim said Malaysia was interested in greater involvement in sectors where Malaysian businessmen and investors could offer expertise, technological know how, joint venture capital and management, marketing, or consultancy services.

He said this at a large gathering of Malaysian and Chinese businessmen at the China World Hotel in Beijing. Anwar bin Ibrahim witnessed the signing of 13 agreements and memoranda of understanding between Malaysian and Chinese business partners at the gathering. A 127-member business delegation is accompanying the deputy prime minister on his six-day visit to China. He said trade between the two countries was on the upswing with the volume in the first four months of this year increasing by 71.3 percent to a record value of U.S. \$1.04 billion. China is now Malaysia's 10th largest trading partner, accounting for 2.5 percent of the total trade of U.S.\$2.3 billion.

Malaysian Deputy Prime Minister Addresses Businessmen

OW2708153594 Beijing XINHUA in English 1452 GMT 27 Aug 94

[Text] Beijing, August 27 (XINHUA)—Malaysian Deputy Prime Minister Anwar bin Ibrahim today told Chinese and Malaysian business people and industrialists to look into the future.

Addressing the opening of the China-Malaysia trade and investment promotion forum this morning, the Malaysian deputy prime minister encouraged Chinese businesses to invest in Malaysia and Malaysian business to invest in China and the two sides should open up new domains for cooperation.

More than 300 people from Malaysia and China attended the forum.

China is the tenth biggest trading partner of Malaysia, he noted. The bilateral trade increased by 71.3 percent in the first four months of this year to reach 1.04 billion U.S. dollars.

He asked Chinese businesses and industrialists to participate in the construction and development of Malaysia and to invest in the manufacturing and new and high technology areas.

The Malaysian Government has already approved more than 30 projects using Chinese investment, according to Ibrahim. Though this is not a big number, he said, it marks a beginning of the close cooperation between the two countries.

Zheng Hongye, chairman of the China Council for the Promotion of International Trade, said at the opening ceremony that China-Malaysia trade relations would develop further through the joint efforts of the two countries' governments and commercial circles.

After the ceremony, representative companies from the two countries signed 13 agreements and memorandums on joint ventures in oil, natural gas and petrochemicals, as well as trade.

Deputy Prime Minister Anwar bin Ibrahim met with Minister of Finance Liu Zhongli this afternoon.

The Malaysian Deputy Prime Minister Anwar bin Ibrahim and his party are scheduled to leave here for Jinan, capital of east China's Shandong Province, tomorrow.

Malaysian Companies To Enter Power Supply Market

OW2708025094 Beijing XINHUA in English 0123 GMT 27 Aug 94

[Text] Kuala Lumpur, August 27 (XINHUA)—Malaysia and China are expected to sign a memorandum of understanding to facilitate Malaysian companies' participation in China's power supply industry.

"There is big business in China's power industry," said Minister of Energy, Telecommunications and Posts Samy Vellu Friday [26 August] night.

Three Malaysian firms are finalizing their deals with relevant Chinese companies with projects involving capital inputs amounting to 2.45 billion ringgit (about 0.94 billion U.S. dollars), Samy Vellu told reporters upon his return from an overseas journey which took him to China where he met with Minister of Electrical Industries Shi Dazhen.

Among the projects, a 1,000 mw joint venture between Shandong Power Supply Company, Malaysia's YTL Corporation and German Conglomerate Siemens is estimated to need an investment of 2 billion ringgit (0.77 billion U.S. dollars), he said, adding Malaysia's national

power corporation and a private company are taking part in two other projects with a capacity of 100 mw and 60 mw respectively.

Samy Vellu said his ministry will be preparing the MOU for cabinet approval in two weeks.

Near East & South Asia

Bosnia-Herzegovina Minister Gives 'Exclusive' Interview

C/W 2708133994 Beijing XINHUA in English 1252 GMT 27 Aug 94

[Text] Tehran, August 27 (XINHUA)—Bosnia-Herzegovina welcomes any troops from any countries in the frame of the United Nations, Foreign Minister of Bosnia-Herzegovina Irfan Ljubijankic said here today.

The foreign minister said in an exclusive interview with XINHUA that his country is expecting more peace-keeping troops because the present 15,000 troops are not enough to implement the peace plan.

While answering a question on whether his country welcomes Iranian troop as the Iranian Government has offered, he said, "We welcome troops under the frame of the United Nations."

"We have received troops some from Western countries and some from Islamic countries, including Turkey, Malaysia, Pakistan as well as Egypt," he added.

The Iranian Government has announced its readiness of sending about 10,000 troops to Bosnia-Herzegovina to fight for their Moslem brothers.

At today's international seminar on B-H [as received] future prospects, Iranian Foreign Minister 'Ali Akbar Velayati reaffirmed his country's support to Bosnia-Herzegovina, saying "the support by the Iranian Government to Bosnia-Herzegovina is on the top agenda."

He said that Iran will continue to offer humanitarian support and actively participate in reconstruction.

To Iranians, Bosnia is not only a humanitarian case that demands aid and support, but a crisis that relates to the entire Moslem world, he added.

Some member states of the Organization of the Islamic Conference (OIC) also want to send their troops there.

OIC Secretary General Hamid Algabid [spelling of name as received] said at the meeting, "I have been in constant touch with the secretary general of the United Nations with a view to an early deployment of troops from a number of OIC member states for Unprofor operations in Bosnia-Herzegovina."

Government officials and experts from Albania, Austria, B-H, Britain, Croatia, France, Germany, Greece, Italy, Pakistan, Turkey and the United States attended the two-day seminar with scholars from the Balkan region.

B-H President Alija Izetbegovic said in his message to the seminar that the gathering of the people who were not indifferent to the suffering of the Bosnian nation and who saw the protection of the rights of the imperiled as their own commitment proved that the bosnians were not alone in their struggle for survival and freedom.

Pointing to some facts about the history and geographical position of his country, he said that there was an ongoing attempt to eradicate one religion and one nation—Islam and the Moslem nation.

He said that the meeting of this kind is a very important form of moral and political support for his nation. He reaffirmed that their aim was a decent one and the means to accomplish it was through truth.

While talking the future prospect of his country, the Bosnian foreign minister said that he tries to answer the question but nobody know exactly what will happen.

"Our struggle will take more time and more blood. I would believe it will finish soon because there are not many approaches," Ljubijankic said.

But he is sure that his country will win the struggle with the support and help of their friends.

The foreign minister stressed in his talks with XINHUA, "we are trying to strengthen our army."

"Peaceful means would be given to us and we will accept those means," he added.

Finally, he said, "We will win by peaceful means or military means."

The tragedy of Bosnia-Herzegovina in the last two years is partly demonstrated in the process of ethnic cleansing, Serbian occupation of Moslem territory, the siege and bombardment of Moslem towns, killing of over 200,000 Moslems, the displacement of a million Bosnians and the refugees of 400,000 others.

Debate in Lebanon Over Housing Displaced Palestinians

OW2608114894 Beijing XINHUA in English 0808 GMT 26 Aug 94

["Roundup" by Shao Jie]

[Text] Beirut, August 26 (XINHUA)—An undergoing debate over housing thousands of displaced Palestinian families proves that even four years after the end of the civil war, the Palestinian problem still could be an element threatening Lebanon's stability if it is not treated carefully.

The debate has developed to such an extent that a local newspaper deplored that "this exchange of accusations could have turned into an artillery duel" if weapons had not been collected from militiamen.

The debate reached its climax when Lebanese Druze Leader Walid Jumblat, who is also minister of the displaced in Prime Minister Rafiq al-Hariri's government, launched a scathing attack Wednesday [24 Aug] on critics of his plan to accommodate about 3,000 displaced Palestinian families.

He said the criticism of his plan was creating conditions "exactly similar to those that led to the civil war" which broke out in 1975 and lasted for 15 years.

It was reported that in accordance with his plan, the Lebanese Government has bought a 2.2 million square-meter piece of land in Iqlim al-Kharoub southeast of Beirut to build houses for the Palestinian families who were forced out of their camps during the civil war.

These Palestinian families have been residing illegally in apartments and hotels abandoned by the owners during the civil war after their camps, mainly located in Christian-populated areas, destroyed by militias.

"The land has been bought and the issue is over," the Druze leader announced Thursday when he met a delegation of the Palestinian fundamentalist group "Hamas" in his residence in Shouf mountains. Walid Jumblat, leading his crack Druze militiamen, fought on the side of Palestinian commandos during Lebanon's civil war.

But the plan has upset many Lebanese, mostly Christians, who warned that such a step would lead to the resettlement of the Palestinian refugees in Lebanon.

"Palestinians should return to their lands and Lebanon's lands belong to the Lebanese," a leader of the Maronite Christians ranted on televisions Thursday night.

The Palestinians included in the housing plan are of those who had been forced to leave their homes in Palestine in 1948. "They were received in Lebanon by the late President Bichara al-Khoury. They intended to stay here a few weeks, and have spent 40 years. What shall we do with them?" Jumblat asked.

Lebanese Information Minister Michel Samaha noted that priority should be given to the repatriation of the war-displaced Lebanese and not the permanent residences of the Palestinian refugees.

In a press conference especially held to respond Jumblat's attack, the information minister said the term "housing" does not apply to the Palestinians as a temporary solution for an issue which has been arisen in the peace negotiations.

He noted that providing housing for the Palestinian refugees is a decision to be taken by the Lebanese Government. He added that the solution of the Palestinian issue in Lebanon is a collective responsibility.

But Lebanese Prime Minister Rafiq al-Hariri praised Thursday the "efforts" of Jumblat concerning the issue

of Palestinian refugees. He stressed that Jumblat is a "active member" in the government and an "important political figure."

He said that Jumblat is following the governmental plan to return the war-displaced people to their homeland.

He added that the issue of the war-displaced people can not be solved until the problem of evicting palestinians residing in apartments in the capital and somewhere else illegally is taken care of.

Iranian First Vice President Leaves for Beijing Visit

Talks on 'Common Interests' Scheduled

OW2808195094 Beijing XINHUA in English 1917
GMT 28 Aug 94

[By Chen Ming]

[Text] Tehran, August 28 (XINHUA)—Iranian First Vice President Hasan Ibrahim Habibi left here this evening for China on a three-day goodwill visit from August 29 to 31.

This is his first visit to China at the invitation of Chinese Premier Li Peng.

Before departure at the airport, he told XINHUA that he will hold talks with Chinese leaders on economic issues and international and regional issues of common interest.

Habibi believes that his visit to China will produce great impact upon further development of the ties between the two countries.

The Iranian vice president is leading a 26-member delegation, including ministers and vice-ministers of oil, commerce, energy, mines and metals, industries and agriculture as well as heads of the Central Bank of Iran.

Chinese Ambassador to Iran Hua Liming said earlier that the friendly exchanges between China and Iran dated back to thousands of years. The two countries now share common views on independence despite their different social systems, he added.

Delegation Arrives in Beijing

NC2908062294 Tehran Voice of the Islamic Republic of Iran First Program Network in Persian 0330 GMT
29 Aug 94

[Text] First Vice President Habibi arrived in Beijing this morning at the head of a high-ranking political-economic delegation on an official visit to the PRC. The first vice president is being accompanied by the ministers of petroleum and commerce. Their visit takes place at the official invitation of the Chinese premier.

Before leaving Tehran last night, Habibi told correspondents that the objective of his visit to China is to review

bilateral relations in the economic and cultural fields and to discuss regional and international issues with high-ranking Chinese officials.

First Vice President Habibi Opens Talks

LD2908100694 Tehran Voice of the Islamic Republic of Iran First Program Network in Persian 0930 GMT 29 Aug 94

[Text] First Vice President Hasan Habibi, who is in Beijing at the invitation of Premier Li Peng of China, began his talks with Chinese officials today. Our correspondent reports:

Our country's first vice president was formally welcomed by Premier Li Peng and a number of high-ranking Chinese officials in the People's Great Hall. After the formal welcome, talks between the heads of the two countries' delegations opened at the state guest house. During these talks, issues of mutual interest, including economic, regional and international issues are being discussed. The meeting is still in progress.

Oil Minister Gholam Reza Aqazadeh, Commerce Minister Yahya Al-e-Eshaq, deputies of the Agriculture Ministry, Mining Ministry, and a group of directors general from various ministries accompany Mr. Habibi on this visit.

Rong Yiren Confers With Visiting Iraqi Minister

JN2608163694 Baghdad INA in Arabic 1525 GMT 26 Aug 94

[Text] Beijing, 26 Aug (INA)—PRC Vice President Rong Yiren received [Iraqi] Foreign Minister Muhammad Sa'id al-Sahhaf in Beijing yesterday.

During the meeting, the Iraqi minister conveyed greetings from President Saddam Husayn to Chinese President Jiang Zemin and the Chinese leadership. Yiren asked al-Sahhaf to convey greetings from the Chinese president to President Saddam Husayn.

Al-Sahhaf reviewed the recent developments in the relationship between Iraq and the Security Council, and stressed China's effective contribution to lifting the embargo on Iraqi oil exports and implementing Article 22 of Security Council Resolution 687 after Iraq has fulfilled its commitments according to this resolution.

The Chinese vice president expressed the sympathy of the Chinese leadership and people with the Iraqi people's situation as they have been facing the blockade for four years. He expressed his country's desire and readiness to promote relations with Iraq in various fields.

The meeting was attended by Foreign Ministry Under Secretary 'Abd-al-Jabbar al-Duri and the Iraqi ambassador to China.

Later yesterday, al-Duri met in Beijing with Chinese Assistant Foreign Minister Wang Changyi. They discussed China's effective contribution to a speedy lifting

of the embargo on the Iraqi oil exports after Iraq has fulfilled its commitments according to the UN resolutions.

During the meeting, Wang Changyi expressed the hope that the blockade on Iraq will be lifted soon. He promised that China will do its utmost to end this unfair blockade, and stressed his country's desire to promote and enhance its relations with Iraq in the industrial and trade fields.

Foreign Minister al-Sahhaf and his delegation arrived in Beijing on Tuesday [23 August] on an official visit to China lasting several days.

Iraqi Foreign Minister Confers With Arab Mission Heads

JN2608191994 Baghdad INA in Arabic 1835 GMT 26 Aug 94

[Text] Beijing, 26 Aug (INA)—[Iraqi] Foreign Minister Muhammad Sa'id al-Sahhaf met with the accredited heads of Arab diplomatic missions in Beijing today.

During the meeting, al-Sahhaf reviewed recent developments in the relationship of Iraq and the UN Security Council as well as Iraq's fulfillment of all its commitments according to the Security Council resolutions.

Al-Sahhaf said that, according to the legal interpretation of these resolutions, the Security Council should fulfill its own commitments to Iraq by implementing Article 22 of Resolution 687.

Discussing the outcome of his current visit to China, the foreign minister said the Chinese side showed a clear understanding of Iraq's rights, and that Chinese officials emphasized their call to lift the unfair blockade imposed on Iraq. These officials expressed their country's readiness to cooperate with Iraq in various fields in order to consolidate bilateral friendship, he added.

It is noteworthy that Foreign Minister al-Sahhaf is currently on a tour that so far has included Pakistan, Thailand, and China.

Nepal, Tibet To Hold Trade Fair 18-24 Sep

OW2608161894 Beijing XINHUA in English 1443 GMT 26 Aug 94

[Text] Kathmandu, August 26 (XINHUA)—The Tibet Autonomous Region of China and Nepal will jointly organize a trade fair here from September 18 to 24.

The trade fair will be held under an agreement reached between the two sides during the Tibet-Nepal trade exhibition held in Lhasa in September 1992.

Both sides hope to promote economic and trade relations through the fair, which will display traditional goods from Nepal and Tibet.

During the fair, the two sides will also hold discussions on expansion of bilateral economic and trade relations.

Sub-Saharan Africa

Malian Prime Minister, Delegation Arrive in Beijing

Starts Official Visit

OW2508103894 Beijing XINHUA in English 1018
GMT 25 Aug 94

[Text] Beijing, August 25 (XINHUA)—Ibrahim Bombacar Keita, prime minister of the Republic of Mali, arrived here today, starting an official visit to China, at the invitation of Chinese Premier Li Peng.

This is Keita's first visit to China. His entourage include his wife and Mali's Finance Minister Soumaila Cisse.

Zhang Geng, chairman of the Chinese Government reception committee and vice-minister of justice, and Wang Changyi, assistant foreign minister, greeted Keita and his party at the airport.

The Malian visitors are scheduled to tour Beijing, Hefei and Shanghai during their visit.

Holds Talks With Premier Li Peng

OW2608143794 Beijing XINHUA in English 1410
GMT 26 Aug 94

[Text] Beijing, August 26 (XINHUA)—Chinese Premier Li Peng, in his talks with Malian Prime Minister Ibrahim Bombacar Keita here this afternoon, said that China values its traditional friendship with Mali.

Li said that China is a developing country, and it is a major component of China's foreign policy to promote friendly relations with all the developing nations, including African countries.

Keita briefed Li on the domestic political and economic situation in Mali, saying, "we realize that only under conditions of political stability can a nation develop its economy, and chaos will lead nowhere.

"The Malian Government is carrying out a policy of uniting all the social strata in society to develop its economy," Keita added.

Briefing Keita on China's reform, opening-up and economic development, the Chinese premier noted that China is conducting its construction in a situation of political stability. "The basic guarantee for China's economic and social progress is the correct handling of the relations among reform, development and stability," Li stressed.

Li said Mali was one of the first African countries to set up diplomatic ties with China, adding that the great changes in the international and in the two countries'

domestic situations over the past 30 years have not influenced the friendship between the two peoples.

"We appreciate that the Malian Government adheres to the 'one China policy'," Li said.

Keita mentioned that China offered a lot of aid in medicine and engineering techniques to Mali when the country had just won its independence. "The Malian people will always be true friends of China," he added.

He said the purpose of his current visit is to gain more experience of China's development.

The two leaders also exchanged views on other international and regional issues of common concern.

Keita invited Li to visit Mali at his convenience, and Li happily accepted the invitation.

After the talks Li and Keita attended the signing ceremony of an agreement under which the Chinese Government offered loans to the Malian Government.

Then Li hosted a banquet in honor of Keita and his party.

Before the talks, Li Peng presided over a welcoming ceremony for Keita, who arrived here yesterday for an official visit at Li's invitation.

Further on Talks, Ceremony

OW2708055994 Beijing XINHUA Domestic Service in Chinese 1408 GMT 26 Aug 94

[By reporter Zhang Rongdian (1728 2837 0368)]

[Text] Beijing, 26 Aug (XINHUA)—Premier Li Peng, in his talks with Malian Prime Minister Ibrahim Bombacar Keita at the Diaoyutai State Guesthouse this afternoon, emphatically pointed out that China values its traditional friendship with Mali. He expressed his belief that Prime Minister Keita's current visit will surely promote further strengthening and development of the bilateral friendly relations.

Li Peng said: China is a developing country, and it is a major component of China's foreign policy to promote friendly relations with all the developing nations, including African countries.

Keita briefed Li on the domestic political and economic situation in Mali. He said: "We realize that only under conditions of political stability can a nation develop its economy, and chaos will lead nowhere. The Malian Government is carrying out a policy of uniting all the social strata in society to develop its economy."

Li Peng expressed his appreciation for Keita's briefing. He also briefed Keita on China's reform, opening-up and economic development. He said: China is conducting its construction in a situation of political stability. The

basic guarantee for China's economic and social progress is the correct handling of the relations among reform, development, and stability.

Li Peng said Mali was one of the first African countries to set up diplomatic ties with China. China values its traditional friendship with Mali. He said: "The great changes in the international situation and in the two countries' domestic situations over the past 30 years have not influenced the friendship between the two peoples. China and Mali always support each other in international activities. We appreciate that the Malian Government adheres to the 'one China policy'."

Keita said: Although Mali and China are far apart in distance, the friendship between their peoples goes back to ancient times. He said: Even during the early stages of Mali's independence China stood at the side of the Malian people. Chinese technicians and doctors have provided a great deal of valuable aid to Mali's economic development and people's livelihood. Late Premier Zhou Enlai's visit to Mali in the past made a deep impression on the Malian people. Mali will always be a true friend of China.

Keita said he has witnessed China's economic construction during the current visit and the purpose of his current visit is to familiarize himself with China's experience of development.

The two leaders also exchanged views on other international and regional issues of common concern.

During the talks, Keita invited Li Peng to visit Mali at his convenience, and Li Peng happily accepted the invitation.

After the talks Li Peng and Keita attended the signing ceremony for the "agreement on extension of loans by the government of the People's Republic of China to the government of the Republic of Mali."

Then Li Peng hosted a banquet in honor of Keita and his wife and party.

Before the talks, Li Peng presided over a welcoming ceremony for Prime Minister Keita on the plaza outside the east entrance of the Great Hall of the People. Present at the welcoming ceremony were Premier Li Peng's wife Zhu Lin; state councillor Luo Gan; Zhang Xuwu, vice president of the All-China Federation of Industry and Commerce; vice foreign minister Tian Zengpei; and Zhang Geng, chairman of the reception committee of the Chinese Government and vice minister of justice.

Meets With Jiang Zemin

OW2708142694 Beijing XINHUA in English 1338
GMT 27 Aug 94

[Text] Beijing, August 27 (XINHUA)—Chinese President Jiang

Zemin told the visiting Malian Prime Minister Ibrahim Bombacar Keita that the changing international situation in recent years has had a big impact on Africa, presenting it with both challenges and opportunities.

He said that it would be hard to achieve peace and stability in the world if Africa is left unstable and under-developed.

He told the guest that China has always attached importance to its relations with African countries and it is part of China's foreign policy to strengthen unity and co-operation with African nations.

Jiang went on to say that China and Mali enjoy a profound friendship which has stood the test of times and changes in the international situation. "China values its traditional friendship with Mali and is willing to work together with Mali to further develop their relations in all spheres on the basis of the five principles of peaceful co-existence," he said.

Malian Prime Minister Keita, who is visiting China for the first time, said such relations have been built upon mutual respect and are therefore solid and reliable.

He said the Malian people will not forget the contributions of Chinese engineers and technicians to Mali's economic development.

The prime minister said no country can neglect its real conditions when it is striving for development. At present, he said, Mali particularly needs to maintain social stability and national unity so as to achieve its goal of economic development.

Jiang praised the Malian people, under the leadership of President Alpha Oumar Konare, for their unremitting efforts to maintain stability and unity of nationalities and to develop their national economy.

Zimbabwe President Praises 'Support'

OW2608204594 Beijing XINHUA in English 1940
GMT 26 Aug 94

[Text] Harare, August 26 (XINHUA)—Zimbabwean President Robert Mugabe today praised China as the greatest friend of Zimbabwe and expressed thanks to the Chinese people for their great and sincere support to Zimbabwe during and after its struggle for independence.

Mugabe said this at his meeting with visiting General Chi Haotian, Chinese state councillor and minister of defense. The president said the visit of the Chinese military delegation has further strengthened the friendship between the peoples and armies of Zimbabwe and China.

He also highly praised China's political stability and amazing economic achievements, and asked the Chinese defense minister to convey his greetings to Chairman Jiang Zemin and Premier Li Peng.

After the meeting, Mugabe had a luncheon together with Chi Haotian and his delegation and invited them to the official opening of the Harare agricultural show.

At the grand banquet given by President Mugabe in honor of South African President Nelson Mandela last night, Chi Haotian conveyed greetings to Mandela from Chairman Jiang Zemin and Premier Li Peng. On behalf of Chairman Jiang, Chi Haotian invited Mandela to visit China, which Mandela accepted.

Chi Haotian and his delegation ended the four-day visit to Zimbabwe and left here tonight for Zambia.

West Europe

Beijing Threatens Retaliation for Toy Import Quotas

HK2708072794 Hong Kong SOUTH CHINA MORNING POST (BUSINESS POST) in English 27 Aug 94 p 2

[By William Kang]

[Text] China has threatened to retaliate against the European Union [EU] if it fails to remove quotas on toy imports, the Toy Manufacturers of Europe (TME) said yesterday.

Wu Yi, China's Minister for Foreign Economic Relations and Trade, told a delegation of European and Hong Kong toy manufacturers in Beijing that she was determined to see the quotas abolished.

It was the first time that China has publicly declared it would fight the quotas.

The Chinese Government has remained largely silent over the issue ever since the EU announced in March this year that it would limit imports of three kinds of toys from China.

Ms Wu plans to raise the issue with French Minister of Trade Gerard Longuet when she visits France in early September.

Ms Wu did not say what measures she would take if her efforts failed to convince EU leaders to annul the quotas.

"She was quite emphatic. She didn't suggest any kind of deal," said Peter Waterman, a TME representative who met Ms Wu earlier this week.

"In trade negotiations China has lots of leverage these days," he added.

Following the EU's decision last month to increase the toy quota for stuffed animals by 24 per cent but leave the quotas for human-like figures and die-cast toys unchanged, the TME decided to take its concerns to top Chinese officials.

The TME, which represents most European toy companies, together with the HKTC [expansion unknown],

told Ms Wu that if she adopted a harder line on the toy issue she would almost certainly be able to force the EU to rescind its toy quotas.

Britain and the TME have already filed separate law suits against the EU council of ministers, charging that it failed to act with proper discretion when sounding out the European toy industry.

According to Mr Waterman, the quotas on Chinese-made toys were imposed on the false assumption that import restrictions would increase jobs and factory output across Europe.

He added, however, that low labour costs and the high quality of toys made in China would prevent Europe from ever gaining a competitive edge in the market.

Mr Waterman also pointed out that inexpensive toys from China allowed for brisker sales in Europe, which meant more retail jobs in more stores for Europeans.

The EU council will have another opportunity to alter or reverse the quotas when it meets again in October, but this year the damage has already been done because all Christmas orders must be placed by September.

German Firm Announces 'Ambitious' Investment Plans

HK2808071194 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 28 Aug-3 Sep 94 p 1

[By Pei Jianfeng: "Siemens To Build Three Power Plants"]

[Text] World-renowned conglomerate Siemens AG of Germany has announced ambitious investment plans in China, including construction of three large power stations and 15 new joint ventures.

Hoping to make China its largest market outside Europe, Siemens plans to launch a holding company to co-ordinate its business here, Hermann Koelle, general manager and Siemens' chief representative in China, told Business Weekly.

The planned umbrella company is waiting for final approval from the Ministry of Foreign Trade and Economic Co-operation.

The move is not unprecedented: In the 1930s and '40s, Siemens' China operation was its largest regional company outside Europe.

Koelle hopes to restore China's status in Siemens's global business as soon as possible.

The focus of Siemens' business here will be infrastructure construction in the areas of power generation, telecommunication, transportation and information, he said.

Koelle said Siemens will build three large power plants in the country in the form of BOT (build, operate and

transfer), but declined to give further details about the capacity or locations of the stations.

So far, Siemens has 16 joint ventures in the country with investment of \$150 million to \$200 million.

Koelle said that Siemens will set up 15 more joint ventures in China with direct investment exceeding \$500 million.

The company is negotiating with Dong Fang Electrical Co in Sichuan Province to establish joint ventures to produce large-capacity power generator and turbines for coal-fired plants.

Siemens Nixdorf, the largest computer producer in Europe, will invest in Fuzhou in October to produce personal computers.

The joint venture will produce 60,000 PCs in the first year and raise output gradually.

Loke Soon Choo, general manager and chief representative of Siemens Nixdorf, said his company hopes to capture 10 per cent of China's PC market.

Siemens will also invest in China to produce electrical machines and electronic components for the automobile industry.

Koelle said that Siemens is eager and well prepared to participate in China's key infrastructure projects, including the Three Gorges hydroelectric power plant, the high-speed Beijing-Shanghai railway and China's information superhighway.

Siemens To Open Joint Production Facility in Tianjin

OW2408034294 Beijing XINHUA in English 0128 GMT 24 Aug 94

[Text] Tianjin, August 24 (XINHUA)—Siemens will open a joint venture company in Tianjin, a major port in northern China, to produce electric transmission equipment.

The project, jointly funded by the Tianjin Power and Electronics Corporation, a local research institute and the German company, will involve a total investment of 28.27 million Deutsche marks.

The new venture, with registered capital totalling 12 million Deutsche marks, will be built in the new and high-tech industrial park in the city.

By the end of June, more than 80 foreign-funded enterprises had been set up in the park, with investment totalling 1.5 billion U.S. dollars.

Sino-German Vehicle Steering System Venture Planned

OW2608161494 Beijing XINHUA in English 1504 GMT 26 Aug 94

[Text] Shanghai, August 26 (XINHUA)—A contract was signed here today to set up a Sino-German joint venture to manufacture updated steering systems for cars and light trucks.

The contract was signed by the Shanghai Automobile Company and the ZF Company of Germany.

The venture will be built in 1996 at a total cost of 40 million U.S. dollars.

Initially, it will turn out steering systems for Santana cars made in Shanghai and other Chinese-built motor vehicles. It hopes to increase its production to 300,000 units by the year 2002.

Royal Dutch Shell Group Sets Up Joint Venture Facilities

OW2608165194 Beijing XINHUA in English 1532 GMT 26 Aug 94

[Text] Beijing, August 26 (XINHUA)—A leading international oil company—the Royal Dutch Shell Group, will join hands with two Chinese partners to invest 225.5 million yuan in oil storage and transportation facilities in Tianjin, a north China port city.

The three sides—Shell, the China Aviation Oil Supply Corporation (CAOSC), and the Tianjin Harbor Nanjiang Development Company—will first set up a joint venture, namely the Tianjin International Petroleum Storage and Transportation Company.

About 40 percent of the shares of the joint venture will be held by the Shell Group.

The oil installation to be established is designed to have a total storage capacity of 160,000 cu m and transportation facilities capable of throughputting two million tons to three million tons of oil products annually.

Covering an area of approximately 64,000 sq m, a total of 14 tanks of either heated or unheated type will be built for various oil products and grades.

Oil products will be loaded onto ships at two existing jetties of 50,000 dwt and 15,000 dwt, respectively.

Construction of the oil installation is expected to be finished in late 1995 or early 1996.

Bai Zhijian, general manager of the CAOSC, said that a unique feature of the installation will be its capacity to throughput aviation fuel via its aviation partner's pipeline directly to the airports they serve.

As he put it, currently aviation fuel is supplied to airports by rail and road. The installation will enhance the efficiency of aviation fuel transportation in northern China and help reduce the burden on the rail and road system.

Latin America & Caribbean

XINHUA Views Sino-Latin America Cooperation

OW2008030194 Beijing XINHUA Domestic Service in Chinese 0556 GMT 18 Aug 94

["Roundup" by reporter Jia Anping (6328 1344 1627): "Bright Prospects for Economic, Trade, Scientific, and Technological Cooperation between China and Latin America"]

[Text] Brasilia, 17 Aug (XINHUA)— There are bright prospects for trade, scientific, and technological exchanges between China and Latin America and for both sides to carry out mutually-beneficial economic cooperation. This was the consensus reached by those who attended the two-day Sino-Latin America Economic and Trade Seminar which ended in Brasilia on 17 August. Delegates from China and from 13 countries of the Rio Group were of the view that though China and Latin American countries are situated in the east and west hemispheres and are far apart, they share many common points, particularly in that they are being faced with the tough tasks in developing their economies; and that their respective successful experiences and the willingness to cooperate with each other will create very favorable conditions for expanding economic and trade exchanges between China and Latin America.

Sino-Latin America trade dates back 400 years. China's silk and porcelain have been shipped to Latin America and dye stuff, corn, and coca from Latin America to China via the "ocean silk road" since 16th century. Modern Sino-Latin America trade began following the establishment of New China. Over the last 40 years, economic exchanges between China and Latin America have developed from barter trade in the early stages to various forms of economic cooperation and to the stage of comprehensive development. Bilateral trade in 1950 stood at only \$1.96 million, this increased to \$1.31 billion in 1980, and rose to \$3.71 billion last year.

In addition to direct trade, China and Latin America started to engage in investment in each others country, to carry out labor, scientific, and technological cooperation, and technological consultation. By the end of last year, China had established 160 joint venture or solely-funded firms in 24 Latin American countries and regions. On the other hand, some enterprises from Latin American countries such as Chile, Cuba, and Brazil also came to China to invest and to set up plants.

In the area of science and technology, China signed governmental scientific and technological cooperation agreements with 12 Latin American countries including Mexico, Peru, Uruguay, Chile, and Argentina, with cooperation scope expanding to nearly 20 fields including machinery, electronics, energy, petrochemical, light industry, metallurgy, information, and biotechnology. One of the most noteworthy cooperation projects is China's cooperation with Brazil in space technology. The global resource energy satellite plan, one of the Sino-Brazilian joint research projects, was hailed as "the biggest south-south cooperation project" and was considered the model for cooperation between developing countries in the high-technology field.

Since China embarked on the course of reform and opening up in the 1970's, economic and trade cooperation between China and Latin America have made great progress. But there is still a lot of room for further cooperation; and there are many favorable factors for the further development of bilateral relations.

First, there is the great potential for trade. In 1993, China imported \$1.93 billion from and exported 1.78 billion worth of goods to Latin America, which only accounted for 1.86 percent and 1.93 percent only, respectively, of China's total imports and exports for that year; the same figures accounted only for 1.2 percent and 1.45 percent, respectively, of Latin America's total imports and exports for the year. The state of the trade between China and Latin America is incompatible with the potential scale of Sino-Latin America trade and with their economic development levels. Therefore, with both sides' common efforts, it should be possible to raise the proportion of bilateral trade volume in their respective foreign trading.

Second, both sides' import and export products are geared to each other's market needs. Most of China's current imports from Latin America are basic products that are required for domestic economic construction and people's needs. They include nickel, iron ore, copper, aluminum, fishing powder, and paper pulp. China's chief exports to Latin America include tractors, machine tools, airplanes, steam boats, household appliances, small hydropower equipment, whose prices and technical specifications meet Latin American countries' standards and needs. China's exports to Latin America are rather promising.

Third, both sides have the same technological level, have respective strong points, and share a strong desire to expand and deepen cooperation. Because of the technological blockade, it is difficult for Latin American countries to obtain advanced technology from the western developed countries. And as most developing countries lack the technology required by Latin American countries, China is considered their ideal cooperation partner.

In addition, the progress that has been achieved in and the scale of Sino-Latin American economic cooperation, and the constantly improving trading and investment environment constitute favorable conditions for the development of a bilateral, cooperative relationship.

Seeking enhanced cooperation and common development are not only in accord with the interests of China and Latin America, but are also the inevitable developmental trend of the times. Therefore, consolidating current achievements, looking toward the future, seizing the opportunities, and constantly building up and expanding the bilateral cooperative relationship are the common tasks now facing China and Latin American countries.

CPC Liaison Department Delegation Arrives in Bolivia

OW2808002794 Beijing XINHUA Domestic Service in Chinese 1235 GMT 25 Aug 94

[Text] Beijing, 25 Aug (XINHUA)—News from La Paz: Victor Hugo Cardenas Conde, Bolivian vice president and concurrently president of the Congress, on 24

August warmly praised China's successes in reform and opening up in recent years, and he expressed his hope to further promote contacts between Bolivia and China.

Vice President Cardenas made the above statement when meeting with a delegation from the CPC Central Committee International Liaison Department. The Chinese delegation, headed by Li Beihai, deputy director of the CPC Central Committee International Liaison Department, arrived in La Paz on 24 August for its visit to Bolivia.

On the same day, the delegation also met with Antonio Aranibar Quiroga, minister of foreign affairs and worship, and leaders of some political parties.

Zhejiang Group Visits Uruguay, Signs Agreement

OW2008180394 Beijing XINHUA Domestic Service in Chinese 1122 GMT 18 Aug 94

[By reporter Liao Zhenquan (1675 7201 0356)]

[Text] Montevideo, 17 Aug (XINHUA)—The visiting economic and scientific and technological cooperation study group of Zhejiang Province and the Uruguay Food-Grain General Cooperative on the evening of 17 August signed an agreement on establishing a formal relationship of trade and scientific and technological exchanges in agricultural products and agricultural capital goods.

According to the agreement, the Uruguay side will buy chemical fertilizer, agricultural machinery, and other agricultural capital goods from Zhejiang Province, while Zhejiang Province will buy wheat, soybean and other agricultural products from Uruguay when circumstances warrant. The two sides will continue to explore the possibilities of industrial and agricultural development projects and to promote scientific and technological exchanges.

The agreement was signed by Chang Jinming, deputy head of the visiting group and vice chairman of the Zhejiang Provincial Science and Technology Commission; and by (Francisco Sawala), president of the Uruguay Food-Grain General Cooperative, on behalf of their respective sides. In the evening, Lu Songting, head of the visiting group and secretary general of the Zhejiang Provincial Government, hosted a reception here to

thank the Uruguayan Government and its scientific and technological, cultural, industrial, business, and other circles for their warm hospitality to the visiting group.

In his speech, Lu Songting expressed his satisfaction over the results of the visit.

Uruguay Minister of Industry, Mining, and Energy Miguel Galeano also spoke. He hoped that Uruguay and Zhejiang would take a further step toward strengthening economic, trade, and scientific and technological cooperation in the days to come.

The study group of Zhejiang Province arrived in Uruguay on 11 August for an eight-day visit. It put more than 300 Zhejiang products on display at the 89th International Exposition of Agriculture, Animal Husbandry, Industry and Commerce.

Qian Qichen Meets Jamaican National Party Delegation

OW2908090094 Beijing XINHUA in English 0840 GMT 29 Aug 94

[Text] Beijing, August 29 (XINHUA)—Qian Qichen, member of the Political Bureau of the Communist Party of China (CPC) Central Committee, met with a delegation from the People's National Party (PNP) of Jamaica here this afternoon.

The delegation, headed by Peter Phillips, executive member of PNP Central Committee and minister without portfolio of Jamaica, are here as guest of the International Liaison Department of the CPC Central Committee.

Qian, who is also China's vice-premier and minister of foreign affairs, said in the meeting that the relations between China and Jamaica have been developing smoothly since the two set up diplomatic ties.

He expressed his hope that the relations between the two countries and parties will be further strengthened in the future.

Qian also briefed the visitors on China's reforms and opening up, and as well as its economic constructions.

Li Shuzheng, head of the host department, met with and feted the visitors on August 26. In addition to Beijing, the Jamaican guests are scheduled to visit Shanghai.

Political & Social

Li Peng Chairs State Council Plenary Session

Zhu Rongji, Qian Qichen Speak

OW2608132894 Beijing XINHUA Domestic Service in Chinese 1113 GMT 26 Aug 94

[By Central People's Broadcasting Station reporter Liu Zhenying (0491 2182 5391) and XINHUA reporter He Ping (0149 1627)]

[Text] Beijing, 26 Aug (XINHUA)—Premier Li Peng convened and chaired the State Council's Seventh Plenary (Enlarged) Session at Zhongnanhai this morning. Assessing the situation since the beginning of this year, he said: In line with the general task of "seizing the opportunity, deepening reform, opening up wider, promoting development, and maintaining stability," which the party Central Committee has set for the whole party and the whole country, we have correctly handled relations between reform, development, and stability; have promoted reform and development in a generally good direction; and have achieved progress in work in all fields.

The main purpose of the session was to hear briefings on the domestic and international situations, and to make arrangements for the work of the second half of the year, focusing on economic work. State Council Vice Premiers Zhu Rongji and Qian Qichen spoke on the economic situation and economic work and on the international situation and diplomatic work respectively.

Discussing economic work in the first half of this year, Li Peng said: We made important strides in establishing a socialist market economic system. Major reform programs in the finance and taxation, banking, foreign exchange and trade, investment, and pricing and circulation systems, as well as pilot projects for setting up a modern enterprise system were launched according to the plans, yielding fairly good practical results. The national economy continued to develop toward the goal of macroeconomic control and regulation. The economic growth rate steadily dropped but still remained at a relatively fast level. Agricultural production and the rural economy developed in a sustained manner, while peasants' incomes grew at a faster pace. Despite serious droughts and floods in some localities, it is still possible for the nation as a whole to achieve a good harvest. The trend toward excessive growth in currency issuance, credit scale, and fixed asset investment was initially brought under control. Economic and technical exchanges with foreign countries continued to expand, and actual investment by foreign businessmen remained relatively high. All of these explain that the macroeconomic control and regulatory measures adopted by the party Central Committee and the State Council since last year are timely and appropriate and have produced good practical results, and that the overall environment for reform and development has been improved markedly.

Li Peng pointed out: In assessing the situation, we must adhere to the doctrine that everything has two aspects. Especially when the situation is relatively good, we must keep a clear head, affirming the achievements while recognizing difficulties and problems on the road toward advancement. At present, they are reflected mainly in high price rises and mounting inflationary pressures; in agriculture's weak foundation and stagnant growth, resulting in serious flood and drought damages; in over-extended investment in capital construction; in difficulties experienced by a considerable number of state-owned enterprises, and decreasing actual incomes of workers in some enterprises with poor efficiency; in the need to further straighten out relationships in the economic system and to perfect a number of major reform programs already launched in the course of practice; and in the need to study and improve public order and contradictions among the people emerging under the new situation in some localities. We must further consolidate the good situation in reform, development, and stability; face up squarely to the existing problems; work hard to overcome difficulties; and do a still better job in the work of various fields from now on. Despite the difficulties and problems which currently exist in China's economic development, and which will be resolved through due process, we are confident of gradually solving these problems and continuously pushing reform and development forward.

Li Peng stressed we must strive, by every possible means, to develop agriculture. He said: China has a population of more than 1 billion people. As far as the national economy and people's livelihood are concerned, the question of feeding the entire population is the most important matter, which should never be overlooked at any time. The state of agriculture and of the rural economy and how the several hundreds of millions of peasants are doing have a direct bearing on the development of the national economy and social stability. As it is now the time of busy autumn farming, all localities should strengthen field management of autumn crops in order to strive for a fairly good harvest. In dry areas, efforts should be made to continue combating drought; in areas stricken by flooding, efforts should be made to speed up the restoration of production and the repair of projects destroyed by flood waters and to promptly plant additional crops or switch to other crops, so as to reduce to the minimum damage caused by flooding. To ensure the supply of grain and to stabilize grain prices in disaster-stricken areas, it is necessary to strengthen work concerning the shipment of reserve grain. It is necessary to further reform the grain reserve system by building more grain storehouses in marketing areas. At the same time, it is necessary to establish a sound reserve system for cotton, edible oil, sugar, and pork, and to appropriately increase their reserve quantity. This should be regarded as an important matter in establishing a socialist market economic structure and protecting people's lives. He said: The natural calamities that have occurred this year have once again told us that water

conservation projects are the lifeline of agriculture. We must truly strengthen the construction of water conservation projects. Strengthening the construction of water conservation projects and adjusting the agricultural foundation constitute not only the urgent tasks for this year and next, but also a big problem that must be solved during the Ninth Five-Year Plan period and in the years to come thereafter.

Li Peng pointed out: Determination should be made to reform and develop state-owned large- and medium-sized enterprises. This is our unswerving principle. The socialist market economic structure we are going to establish is a structure with public ownership serving as the main body, a structure dominated by the state-owned sector of the economy. Doing a good job in reforming and developing state-owned enterprises is of the utmost importance to China's modernization drive. It can be said that without powerful and economically efficient state-owned enterprises, there will be no socialism with Chinese characteristics. He said: In analyzing the condition of state-owned enterprises, it is also necessary to uphold the doctrine that everything has two aspects. On the one hand, we should be aware of the problems existing in state-owned enterprises, such as irrational industrial setup and product structure. Many of them use backward technology and equipment; their efficiency is really bad; many of them are operating at a deficit; many of them should go bankrupt and yet they are unable to go bankrupt; and the operating mechanisms in many enterprises have not yet been completely transformed to suit the socialist market economic structure. If we are not soberly aware of these problems, then we have not been seeking truth from facts. On the other hand, we must also be aware that state-owned enterprises have made great contributions. In the first half of this year, of the profits and taxes realized by industrial enterprises at and above the township levels throughout the country, 62.6 percent were from state-owned industrial enterprises, and they accounted for 68.8 percent of the taxes delivered to the state. We must have confidence in improving state-owned enterprises. In fact, many state-owned large and medium-sized enterprises have been run very well. Many of the problems which are plaguing enterprises now, such as social burden and historical burden, have taken shape over the years. They should be solved gradually. At present, special efforts should be made to solve the difficulties in important trades. We must work hard to adjust the mix of industrial products and promote technical transformation. All enterprises should, in accordance with market demands, manufacture products readily marketable in domestic and international markets. When supply exceeds demand in the market, it is necessary to restrict production, reduce stockpiles, and promote marketing. Vigorous efforts should be made to open up markets. We should not go on manufacturing while products are being stockpiled in warehouses. We should deepen reform in accordance with the principle of establishing a modern enterprise system and make conscientious efforts to solve problems in the areas of

structure. Beginning next year, we should shift the focus of reform to reforming enterprises.

Li Peng said emphatically: We should take inflation control as the most important task in macroeconomic regulation and control during the second half of this year. Experience gained in practice over the past 10-plus years in reform and development has caused people to reach a broad consensus on three important viewpoints: 1) The socialist market economy must be developed under the state's macroeconomic regulation and control. 2) Inflation must be controlled if the national economy is to develop in a sustained, rapid, and healthy manner. 3) The relationship between reform, development, and stability should be handled properly. This year, the party Central Committee and the State Council have taken inflation control as an important link in properly handling the relationship between reform, development, and stability, and have adopted a series of practical and effective measures to exercise macroeconomic regulation and control, thus gradually moderating the excessive upswing in commodity prices. Specifically, we should exert maximum efforts to keep the prices of daily necessities, which are used by the broad masses of people, basically stable. In the second half of this year, the state and various departments and localities should take practical measures to control prices and should not unveil new price adjustment measures. Also, they should continue to firmly implement the principle of macroeconomic regulation and control, strictly control the scale of credit and investment, strengthen macrocontrol over consumption funds, and continue to do a good job of carrying out the "Shopping Basket" project. Li Peng reiterated the need for governors and mayors to do a good job in carrying out the "Rice Sack" and "Shopping Basket" projects, guarantee supplies, keep down prices, and assume responsibility in earnest.

On the international situation, Li Peng pointed out: The world structure is further evolving toward multipolarity, and detente has become the main trend in the international scene. Generally speaking, this is favorable to us. We are indeed confronted with a rare development opportunity. In the meantime, we should be aware of unfavorable factors and foresee some complex factors that may possibly arise. All countries in the world are adjusting their policies in light of changes in the international structure. We should be prepared for danger in times of peace, pursue what is advantageous to us and stay away from what is harmful, and create an international environment that is conducive to domestic economic construction.

In conclusion, Li Peng pointed out emphatically: We should strive to do a good job over the next few months and lay a fairly good foundation for next year's work. We should always uphold the principle of promoting both material and spiritual civilization and pay equal attention to both. On top of the aforementioned several tasks, we should also continue to pay close and proper attention to other tasks, including efforts to build a diligent

and clean government, science, education, culture, public health, sports, comprehensive public security management, and family planning. We should steadfastly follow the course charted by Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics, and, under the leadership of the party Central Committee with Comrade Jiang Zemin as the core, constantly study new situations and solve new problems, carry out all tasks in a creative manner, and score new victories in reform, opening up, and modernization.

Participants in the session included State Council Vice Premiers Zou Jiahua and Li Lanqing; State Councilors Song Jian, Li Guixian, Chen Junsheng, Peng Peiyun, and Luo Gan; and other members of the State Council's Plenary Session.

Present at the session as observers were responsible persons from relevant departments under the CPC Central Committee, the National People's Congress, the State Council, the Central Military Commission, and the National Committee of the Chinese People's Political Consultative Conference; responsible persons from the Supreme People's Court, the Supreme People's Procuratorate, various mass organizations, various democratic parties, and the All-China Federation of Industry and Commerce; and people with no party affiliation.

Further Reportage on Session

OW2608144994 Beijing XINHUA in English 1422
GMT 26 Aug 94

[Text] Beijing, August 26 (XINHUA)—The general situation is good in reform and development and new progress has been made in all aspects of work, thanks to the implementation of the principle of "seizing the opportune moment to deepen reforms, expand opening-up, promote development and maintain stability".

This is the overall appraisal of the economic work in the whole country made by Chinese Premier Li Peng at the seventh plenary (enlarged) conference of the State Council, China's highest governing body, today.

The conference is called to discuss economic work, especially for the rest of the year.

The premier said that China has taken an important step forward this year in the establishment of a socialist market economy as all the major reform measures in the finance and tax system, banking, foreign exchange, foreign trade, investment, prices and circulation systems as well as in the introduction of the modern enterprise system were produced as scheduled and the results were good.

The national economy has continued to develop towards the objectives set in the macro-economic control measures, he said. The economic growth has still been maintained at a fairly fast level while it has been reigned in steadily. Agricultural production and rural economy

have developed in a sustainable manner and the increase in the income of peasants has been accelerated. Although there have been serious floods and drought, a good harvest is possible in the country as a whole. The situation of excessive currency issue and credit line and overheated investment in fixed assets has initially been arrested. Economic and technical exchanges with foreign countries have continued to expand and the amount of foreign investment actually used has been kept at a fairly high level. All these go to show that the macro-economic control measures adopted by the party central committee and the State Council since last year are timely and proper.

The premier said that there are still some problems on our road of advance. The major problems at present are: prices have risen too fast and the inflationary pressure is still too big; the basic facilities for agriculture are fragile, resulting in huge losses due to floods and drought; the capital construction front has been overextended and the investment scale is much too big; a number of state-owned enterprises are in difficulty and the real income of workers has dropped in enterprises with poor economic results; the economic structure remains to be further smoothed out and some of the major reform measures need further perfection; the social order in some areas is not good and some contradictions among the people arising in the new situation merit earnest study and settlement.

But to solve these problems needs a process and we are confident that we can solve these difficulties and problems and continue to push forward reforms and development, the premier said.

The Chinese premier drew particular attention to the development of agriculture when he said that the food problem for a country with over one billion people is a matter of paramount importance that can in no time be neglected.

The situation in agriculture and the rural economy as a whole and the living of several hundred million peasants will have a direct bearing on China's national economic development and social stability, he stressed.

Li urged the localities to intensify field management of autumn crops in order to strive for a better harvest. Drought-stricken areas should step up their efforts to fight against drought while the flood-affected regions must work hard to resume production and lose no time to repair water conservancy projects damaged by floods and replant crops, striving to minimize the losses.

To ensure the grain supply in disaster-stricken areas and bring grain prices under control, he said, efforts should be made to speed up the allocation of reserve grain.

The premier urged the localities to further reform the grain reserve system and build more grain stores in the grain-selling areas and build and improve the reserve system for such products as cotton, edible oil, sugar and pork.

This year's natural disasters have taught us once again that water conservancy is the lifeblood of agriculture.

To strengthen the construction of water conservancy projects and the basic facilities for agriculture as a whole is a burning task not only for this year and the next, but for the ninth five-plan period and far beyond.

The premier called for great determination to do well in the reform and development of state-owned large and medium-sized enterprises, which, he said, is of great significance in China's modernization. "This is an unswerving principle of ours," he said.

"Without a strong and highly-efficient body of state-owned enterprises, there would be no socialism with Chinese characteristics," he stressed.

He urged the people to see both sides of the coin. On the one hand, he said, there are indeed problems with these enterprises, such as improper industrial structure and product mix, low level in technical equipment and failure to bring the operational mechanism into line with a socialist market structure, but on the other hand, their contributions to the national economy are big.

"We must buttress the confidence in running state owned enterprises still better," he said, adding that the emphasis of reform next year will be put on the reform of enterprises.

The first and foremost task for the rest of the year, Li Peng said, is to curb inflation.

Both the central party committee and the State Council have decided to take a series of measures to dampen surging prices. The prices of daily necessities, in particular, should be stabilized with the utmost efforts, he said.

He urged governments at all levels to take effective measures to curb price hikes, produce no more price reform measures and strictly tighten the control over the scale of credit and investment and the expansion of consumption funds.

Provincial governors and city mayors should take on themselves to ensure that the vegetable baskets and rice bags of the people are full and the prices of daily necessities will be brought down, he stressed.

The premier said that the worldwide trend of multi-polarization has further developed and the general situation is favorable to China. China is facing both hard-to-get opportunities of development and some complicated unfavorable factors, he noted.

"We must prepare ourselves against any contingencies while living in peace and strive to develop what is favorable and avoid what is harmful so as to create a better international environment for domestic economic development," he said.

Vice-Premiers Zhu Rongji and Qian Qichen spoke on China's current economic development and the international situation.

Li Tieying Inspects Relic Protection in Shaanxi

OW2708031294 Beijing XINHUA Domestic Service in Chinese 1215 GMT 25 Aug 94

[By SHAANXI RIBAO reporter Wang Wenge (3769 2429 7041) and XINHUA reporter Wang Zhaolin (3769 0340 7792)]

[Text] Xian, 25 Aug (XINHUA)—Li Tieying, state councillor and member of the CPC Central Committee's Political Bureau, and his party inspected Shaanxi's progress in cultural relics protection from 22 to 24 August. He pointed out: In view of the new problems facing cultural relics protection in the new period, we must proceed from local conditions, foster new ways of thinking, and study new approaches to make Shaanxi the best province in protecting cultural relics.

Accompanied by leading cadres of Shaanxi and Xian—Zhang Boxing, Bai Qingcai, Liu Ronghui, Jiang Xinzhen, Cui Lintao, Fu Jide and others, Comrade Li Tieying inspected the Han Dynasty's Jing Emperor's Tomb and Changan City Ruins, the Qin Dynasty's Afang Palace Ruins, and the Tang Dynasty's Daming Palace Ruins. He also visited the excavation site of the No. 2 pit of the Qin Dynasty's terra cotta warriors, the Banpo Museum, and the Banpo Matrilineal Village to inquire about the situation and problems of cultural relics protection and to convey cordial regards to hardworking archaeologists.

After visits to the aforementioned sites, Comrade Li Tieying heard reports on cultural relics protection by leading cadres of Shaanxi and Xian. Comrade Li Tieying gave an important speech at the end of the report meeting. He said: Shaanxi is the important birthplace of the Chinese, the cradle of the Chinese culture, and a development center of world cultures. The amount of cultural relics discovered in Shaanxi accounts for one-tenth of the total number of cultural and historical relics in China. The quality of Shaanxi's cultural relics is quite high. In the past, Shaanxi scored great achievements in protecting cultural relics, which attracted the world's attention and made historical contributions. As Shaanxi enjoys a reputation for its rare and precious cultural relics, it must make efforts to protect key cultural relic sites and explore new ways of protecting cultural relics in the new period. He hoped that Xian would play an excellent part on the grand stage of the ancient Changan city. Xian should vigorously seek better ways to protect, excavate, and utilize cultural relics. Xian should not be satisfied with its reputation for owning the most cultural relics, but should strive to become the best cultural relics protection place in the world.

In the new period, how should we protect cultural relics? Comrade Li Tieying applauded Shaanxi's call for paying as much attention to cultural relics protection as it pays to economic construction and having Shaanxi's strong points in cultural relics better serve the construction of economy and spiritual civilization. Li Tieying pointed

out: Guided by the principle of giving priority to protecting and preserving cultural relics, we must manage well cultural relics' relationships with economic construction, reform, opening up, the goal of achieving common prosperity, and structural reform. We must study the new management system and methods for cultural relics management in a market economy. We must incorporate cultural relics protection into the social economic development plan, the urban construction plan, fiscal budget plan, and structural reform. We should set up a responsibility system in governments and relevant departments and regard leading cadres' efforts in protecting cultural relics as the criteria for assessing their administration achievements. We should award those cadres who do a good job in cultural relics protection.

Li Tieying added: To lay a foundation for protecting cultural relics, we must encourage local grass-roots cadres and the masses to participate in protecting, excavating, and utilizing cultural relics. The legislative departments of Shaanxi and its key cultural relics protection prefectures and cities should formulate local laws and regulations on protecting cultural relics to manage cultural relics according to law. Xian has abundant cultural relics and shoulders a heavy responsibility in protecting them. The city may consider setting up a cultural relics protection fund to receive donations from people and organizations at home and abroad.

In conclusion, speaking on several cases of destroying ancient ruins and robbing old tombs in Xianyang and Xian, Comrade Li Tieying stressed the need to promptly deal with these cases according to law. He said: We should review the experiences and lessons we learned from these cases, strengthen the publicity and education on protecting cultural relics among cadres and the masses, and enhance their legal awareness.

Li Tieying Gives Speech Disabled Athletes Rally

OW2808184894 Beijing XINHUA Domestic Service in Chinese 1402 GMT 26 Aug 94

["A Speech Delivered by Li Tieying at an Oath-Taking Rally for the Chinese Disabled People's Sports Team (26 August 1994)"]

[Text] Beijing, 26 Aug (XINHUA)—Comrades:

At this oath-taking rally for the Chinese sports team to the Sixth Far East and South Pacific Games for the Disabled today, I would like to extend cordial greetings and best wishes to all athletes, coaches, and workers on behalf of the party Central Committee and State Council.

The upcoming Far East and South Pacific Games is an important social event and grand occasion for the 200 million disabled people in this region. It is another large-scale sports meet organized by our country following the successful 11th Asian Games, and the first grand international sports event hosted by our country

for the disabled. The significance of a successful Far East and South Pacific Games matches that of the 11th Asian Games because it has far-reaching impact on our efforts to display the great successes of our country's reform, opening up, and modernization, and reflects the Chinese people's mental outlook on making unremitting efforts to improve themselves and on vitalizing China; our efforts to display the tremendous successes our country has made in matters concerning the disabled due to the concern shown by the party and government, and reflect the superiority of the socialist system and our country's extensive, fair, and true human rights protection; our efforts to convey the Chinese people's understanding of the Olympic spirit and prove our ability to host any large-scale international sports meets; our efforts to promote overall development of our country's sports, socialist humanitarianism, and spiritual civilization; and our efforts to cement international and inter-regional friendship between disabled people and other peoples in this region.

Undertakings concerning the disabled are a major component part of our glorious socialist cause. Sports for the disabled is also an important aspect of our country's sports work. Since the beginning of reform and opening up, and along with socialist modernization, our country has scored world-renowned successes in promoting sports for the disabled. A disabled athlete is one who faces adversity, makes indomitable struggle, exerts himself to forge ahead, overcomes mind-boggling difficulties, wins nearly 500 medals in international competitions, brings glory to life, wins honor for the motherland, and lets society see a beloved and respectable "Man"—in uppcase.

Sports for the disabled holds a special meaning besides competition. It transcends physical defects and challenges life's inner strength through a contest of will-power, techniques, and physical strength to display man's faith, wisdom, capabilities, and values. Feats accomplished by a brilliant disabled athlete excite our minds, touch the depth of our souls, enlightens us, and proves that disabled people are also survivors in society. Disabled athletes' report meetings that have toured the country have evoked strong responses from society and scored immense social successes because the disabled athletes fully embody the intense spirits of patriotism, of making unremitting efforts to improve themselves, and of selfless devotion. Such spirits exemplify the precious national spirit of the Chinese nation, and the spirit of the times needed in our country's reform, opening up, and modernization. We should vigorously publicize and spread these spirits.

This sports meet will be the first international competition ever participated in by Chinese disabled people on their own land and in the capital of their motherland. The entire nation is following you closely, the motherland has its expectations of you, and the five-star red banner accompanies you. I hope comrades will abide by the of aim of "equality, participation, friendship, and

progress"; uphold the spirit of unity, devotion, hard work, and progress; show your style and standards in competition; and promise to reap a double-harvest in competition and spiritual civilization to win glory for over 50 million disabled people and over 1.1 billion Chinese people.

China is the host country of this sports meet. The broad masses of the people, especially people in the capital, should greet friends who come from afar from other places in the country and overseas with their fine mental outlook. They should extend the arms of friendship and love; understand, respect, show concern, and help the disabled; and make good arrangements and provide good reception and services. They should watch the competitions in a warm, civilized, and fair manner, and hold a successful and grand sports event through joint efforts from all quarters.

Lastly, I would like to wish the disabled athletes outstanding results and the Far East and South Pacific Games success!

Chronicle on Deng Xiaoping Published

OW2808134894 Beijing XINHUA Domestic Service in Chinese 0102 GMT 26 Aug 94

[Text] Beijing, 26 Aug (XINHUA)—The *Chronicle of Deng Xiaoping's Important Activities in the New Period* was published by the Huaqiao [hua qiao 5478 0294] Publishing House in China the other day.

The book provides a truthful account of the outstanding contributions Comrade Deng Xiaoping made in the 16 years between the 1978 Third Plenary Session of the 11th CPC Central Committee and the Spring Festival of 1994 in creating the theory on building socialism with Chinese characteristics; in blazing a path for China's socialist reform, opening up, and modernization drive; in strengthening and improving party building in the new period; in promoting peaceful reunification of the motherland; and in safeguarding world peace and development. By reading the book, a reader can feel deeply that he respects practice, cherishes the people, always keeps their interests and aspirations in mind, and always stands in the forefront of the times firmly pushing society and history forward. The book will inspire the reader to study harder Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics, increase his awareness of the need to firmly carry out the Party's basic line and to rally closely around the party Central Committee with Jiang Zemin as the core, have a correct understanding of the overall tasks of the party and the nation, and bring about rapid and good development of all undertakings with economic development at the central task.

Political Bureau Member Says Deng Xiaoping in Good Health

HK2808033194 Hong Kong WEN WEI PO in Chinese 28 Aug 94 p A2

[Report: "Ding Guangen Tells Hong Kong Journalists That Deng Xiaoping Is in Good Health and Continues To Walk Every Day"]

[Text] Beijing, 27 Aug (WEN WEI PO)—When Ding Guangen, member of the CPC Central Political Bureau and member of the CPC Central Secretariat, met a visiting Hong Kong journalist delegation today in Beijing, the Hong Kong visitors asked: "Deng Xiaoping just celebrated his 90th birthday on 22 August—is he in good health?" Deng Guangen said: "Comrade Xiaoping is in very good health, and he continues to walk every day to keep in shape. He walks much longer than I do every day. We are all concerned about Xiaoping's health and hope that he will continue to be healthy and will enjoy longevity. I will convey the Hong Kong press's concern to Comrade Xiaoping."

Paper Reports Deng's 1986 Tianjin Tour

SK2908071394 Tianjin TIANJIN RIBAO in Chinese 21 Aug 94 p 1

[Remarks by Deng Xiaoping to persons in charge of Tianjin during his inspection of the province from 19-21 August 1986]

[Text] The purpose of my present visit to Tianjin is to see your development zone and the city. I will also visit the harbor.

In opening up to the outside world, we still have to lift controls. Work cannot be invigorated if controls are not relaxed. There is no retreating from it. The Tianjin Development Zone is good. It has created its own brands and has improved the investment climate. Foreigners who invest here will feel more at ease.

There is so much wasteland lying between the harbor and the city, which is a great advantage and has great potential. You must be bolder to develop faster. With some infrastructural facilities better than those in Shanghai, you may find it easier to do things. You plan to borrow \$10 billion from foreign countries. Do you have a country in mind? You may consider more countries. What do we have to fear when those who lend money to us do not have anything to fear? I never have fear. As long as we emphasize efficiency, what is the danger if one or two localities borrow \$10 billion in 10 years' time? Even \$20 billion is not much!

We should study the use of investments. The Japanese say modernization should begin with transportation and telecommunication. That is reasonable. We have always begrudged the money spent on these fields.

Tianjin Harbor has notably improved its economic efficiency over the past two years since having power delegated to it. The personnel and land have not changed, but efficiency improved when reforms were carried out. This is solely attributable to the power delegated to the harbor, of which the most important is the power of employment.

The central belt road has developed rapidly. Is this attributable to the contract system? What we should do is develop reform and the contract system, contract

different sections out to different levels, and institute the responsibility system. The person who designed the Zhongshanmen butterfly overpass did an excellent job. It is necessary to break the rules in order to approve designating him as an engineer. No one should oppose this, which is also a kind of reform.

With reform and modern science and technology, plus our emphasis on politics, our might will become much greater. We should always emphasize politics. Foreigners cannot understand this. You have often encouraged voluntary labor. This is also politics.

Allowing some persons and localities to become rich ahead of others has been my consistent stand. The general principle is common prosperity. Enabling some localities to develop faster to lead other localities is a shortcut to accelerate development and achieve common prosperity.

Sending young cadres to the forefront to shoulder burdens is correct. They should not depend merely on others' support. No one will take it amiss if these cadres are promoted after training.

Building small residential areas will provide a good environment for the masses. When the people witness the change, they will be confident and happy, and things will be easier to accomplish.

Three Dissidents Receive Prison Sentences

Wang Dan Plans To Issue Complaint

HK2708084894 Hong Kong MING PAO in Chinese
28 Aug 94 p 2

["Special dispatch": "A Batch of Mainland Pro-Democracy Activists Is Given Prison Sentences Ranging From 10 Months to 10 years; Wang Dan Vows To Lodge a Complaint With the Higher Authorities After Being Visited by Public Security Personnel"]

[Text] Having been held in custody for more than two years, a number of mainland pro-democracy figures have been sentenced by the authorities one after another since last July, with prison sentences ranging from 10 months to over 10 years, a well-informed source disclosed just yesterday.

An AFP dispatch on the Beijing dissidents says that an official of Beijing Municipal Intermediate People's Court verified that 28-year-old Kang Yuchun, a Chinese Liberal Democratic Party member, had been sentenced to more than 10 years. The court handed down terms of between six and seven years on Chen Chunlin, former meteorological station staffer, and graduate student Wang Peizhong, both 24, involved in the same case. Nothing was said about the terms of the other 11 dissidents involved in the same case. This is the greatest number of pro-democracy figures to have been tried and sentenced since the 4 June 1989 incident.

It was disclosed that hearings on the "Chinese Liberal Democratic Party" case, which had been postponed on several occasions, began last July. Obviously postponement of the hearings is attributable to China's misgivings over the reactions of U.S. and world public opinion, and anxiety over U.S. rejection of the granting of most-favored-nation trading status to China. Last June, President Clinton announced the delinking of the U.S. China trade policy from China's human rights conditions. Promptly in July, Beijing Municipal Intermediate People's Court started hearing the case.

The Chinese authorities have not yet officially revealed the trial verdicts; however, based on a briefing by some dissidents in Beijing, also prosecuted were other "Chinese Liberal Democratic Party" members, including lecturers Hu Shigen [5270 4258 2704] and Wang Tiancheng [3769 1131 2052]; workers Liu Jingsheng [0491 0079 3932], Wang Guoqi [3769 0948 7871], Xu Dongling [6079 2639 1545] and Rui Chaohuai [5360 2600 2037]; student Lu Zhigang [7120 4249 0474]; factory official Xing Hongwei [6717 1347 0251]; businessman Zhang Guojun [1728 0948 0971]; and former student Chen Wei [7115 5898] and Zhang Chunzhu [1728 4783 3796], both unemployed.

In addition, in the wake of Wang Dan, the 1989 Beijing Pro-Democracy Movement leader, publishing his "farewell letter to friends at home and overseas on being ready to go to jail" on 26 August, some public security men "called on" him at his home yesterday to hear his opinions "politely"; while Wang Dan was ready to file a case with the Beijing Municipal Intermediate People's Court suing the Public Security Bureau.

Wang Dan says the two persons who visited him at home yesterday afternoon were just two ordinary clerks from the Public Security Bureau who came to hear his opinions—such as his wish for the removal of the following and surveillance of him and direct dialogue with the Public Security Bureau responsible person; they were polite, and said that they would pass his requests to their supervisor as quickly as possible. As of today, however, there has been no sign whatsoever of the removal of the following and surveillance of him, which has already been going on for three months. He judged that the "call at his house" by public security men would not yield any substantial results.

At this point, Wang Dan is working on a complaint, which will be handed to the Beijing Municipal Intermediate People's Court some time next week to sue the Public Security Bureau for the "surveillance" of him. He told this reporter that should the Intermediate People's Court reject the complaint, he will send it directly to the Supreme People's Court.

Official Denies Jail Sentences

HK2908111294 Hong Kong AFP in English 1012 GMT
29 Aug 94

[Text] Beijing, Aug 29 (AFP)—A Chinese official denied Monday that a Beijing court had handed down stiff

prison sentences to three of the defendants in the country's biggest political trial since 1989.

"This information is totally false," a spokesman for the intermediate court told AFP. "Nobody's been condemned yet, the case is continuing," he added, "it is impossible to say when the trial will be completed". [sentence as received]

The court announced last month that 14 dissidents were on trial for counter-revolutionary activities in the Chinese capital, making it the biggest trial of political dissidents since the crushing of the 1989 democracy movement.

On Friday dissident sources said three of the 14 had already been handed down stiff jail terms.

The three were named as Kang Yuchun, a 28-year-old doctor, sentenced to more than 10 years, Chen Qinglin, a meteorologist, and Wang Peizhong, a student, both aged 24, received terms of six and seven years respectively, the sources said. [sentence as received]

The reports of the sentences surfaced on the eve of the arrival in Beijing of U.S. Commerce Secretary Ron Brown, the highest-ranking member of the Clinton administration to visit China since Washington's decision in May to de-link the question of commercial and trade ties from the issue of human rights.

Wang Dan Detained by Police

HK2708081094 Hong Kong AFP in English 0804 GMT 27 Aug 94

[Text] Beijing, Aug 27 (AFP)—Former Chinese dissident leader Wang Dan was picked up by police Saturday just two days after he stepped up a campaign to counter 24-hour surveillance, his mother said.

"Five or six police officers came to the house at 3:20 p.m. (0720 GMT) and took Wang Dan to the police station," his mother said by telephone.

"They said he was going to be held for questioning," she said, adding that they gave no indication of when he might be released.

In a faxed statement to the foreign press Thursday, the 24-year-old Wang had said he was ready to go to prison if police harassment against him did not stop.

"I am perfectly conscious of the consequences but I no longer have the choice," said Wang, one of the leaders of the June 1989 pro-democracy movement.

"If I cannot express myself freely than I might as well lose my liberty completely," he said in the statement.

Since the fifth anniversary June 4 of the Tiananmen Square massacre, Wang has been under continual police surveillance, both at home and in the streets.

Despite embarking on several symbolic hunger strikes to protest against the harassment, Wang said the situation had worsened in recent weeks.

Arrested during the crackdown that followed the brutal suppression of the 1989 democracy movement, Wang was imprisoned for five years but then freed in 1993 as part of a charm offensive to bolster Beijing's bid to host the 2000 Olympic Games.

Police Release Wang Dan

HK2808014394 Hong Kong AFP in English 0106 GMT 28 Aug 94

[Text] Beijing, Aug 28 (AFP)—The former student leader of the 1989 democracy movement, Wang Dan, was released Sunday [28 August] morning after having been detained for 12 hours by police, he said. "The police brought me home at about three in the morning (1900 GMT Saturday), but they stepped up the surveillance of my building even further," he said by telephone. "They detained me to tell me to keep quiet but I told them it was out of the question," he added.

The questioning of Wang came only hours before the arrival of US Secretary of Commerce Ron Brown.

Dissident's Wife Petitions NPC Over Beatings

HK2808053994 Hong Kong LIEN HO PAO in Chinese 28 Aug 94 p 8

["Special Dispatch" from Beijing by the Mainland News Center: "Qin Yongmin Is Beaten Up and Wounded in Jail; His Wife Sends a Petition to the People's Congress"]

[Text] Qin Yongmin, drafter of the (Draft) "Peace Charter" currently being detained at the Wuhan Hewan Correctional Center, has been beaten up and injured by the center's guards. Li Jinfang, Qin Yongmin's wife, has sent a petition to the mainland's NPC [National People's Congress] Standing Committee, its Law Committee, and the NPC deputies, in which she set out a 10-point request in the hope that the NPC would urge the related departments to promptly send Qin Yongmin to a hospital for medical treatment to prevent his condition from worsening.

The Mainland Authorities sentenced Qin Yongmin with two years of "re-education through labor" earlier this year for "creating social disorder in an attempt to cause confusion." In her letter to the NPC, his wife Li Jinfang complained that, since she submitted an administrative bill of prosecution to the Wuhan City People's Court on 7 March this year—in which she asked the people's court to retract the sentence committing Qin Yongmin to the re-education-through-labor rehabilitation center—Qin Yongmin has received a series of "unusual treatments" within the center: He has not been permitted to talk to anybody, to listen to the radio, or go downstairs, and all his mail has been withheld. Every time Li Jinfang goes to

visit the prisoner, the guards intercept her and search her by force. Furthermore, she has been threatened by some people from the Wuhan Public Security Bureau, who said: "If you want to continue with the lawsuit, you had better make arrangements for someone to take care of your child first!"

Last June, Li Jinfang brought their child along to visit Qin Yongmin, but the prison authorities simply refused to let them see the prisoner. It was only when she visited her husband again on 15 July that she learned he had been beaten up and wounded by the guards on 8 June because he was "slow to carry out orders"; consequently, he suffered from bleeding in his lower extremities, but the prison authorities would not let him see a doctor.

On 20 July, Qin Yongmin's condition grew serious, and he again asked the prison authorities to grant him permission to see a doctor; as a result, he was beaten up and kicked by the guards again, and he was on his last legs. He was sent to the hospital only after a delay of three or four days. There were wounds all over Qin Yongmin's body. His testicles had been crushed and had distended and shrank, and in all probability nothing could ever cure him.

Li Jinfang made a 10-point request to the NPC. She hoped that it would urge the related departments to send Qin Yongmin to a hospital for medical treatment to prevent his condition from worsening. If the hospital's diagnosis shows that his case is serious, he should be allowed to go home to recuperate. The alleged beating of Qin Yongmin must be investigated, and, while Qin Yongmin is undergoing medical treatment, his dependents should be allowed to visit him at any time. When dependents do visit the prisoner, the guards must refrain from searching them, and Qin Yongmin's freedom of correspondence must be restored. The unusual ban preventing Qin Yongmin from "talking to anybody or going downstairs" must be lifted. The Wuhan People's Court should be instructed to open the court to hear Qin Yongmin's lawsuit against the administration.

NPC Official Says Public Order 'Basically Stable'

Some Localities 'Far From Ideal'

OW2908141994 Beijing XINHUA in English 1410 GMT 29 Aug 94

[Text] Beijing, August 29 (XINHUA)—A senior Chinese legislator said today that China's public order is basically stable, which has guaranteed the smooth progress of the country's economic reform and opening to the outside world.

However, some localities are far from ideal in this respect, said Meng Liankun, chairman of the Civil and Judicial Affairs Committee of the National People's Congress (NPC).

Meng's judgment was based on the NPC's inspection of the enforcement of the NPC 1991 decision on strengthening security in southern China's Guangdong Province

and the Guangxi Zhuang Autonomous Region, and northern China's Henan and Hebei Provinces.

The tour lasted two months from May this year, he told the ongoing Ninth Session of the Standing Committee of the Eighth NPC.

In the three years since the NPC decision was promulgated, the three provinces and one region have launched continuous crackdowns on serious crimes such as murder, robbery, abduction of women and children, drug trafficking and prostitution, Meng said.

In some places the chief leader has been made solely responsible for the public security, on which his political career, reputation and economic interests depend, according to Meng.

This successful step has prompted local governments to put more efforts and money into tightening the security situation, Meng said.

However, the inspection results indicate that crimes involving gangs and adolescent delinquency are becoming more worrisome, and social vices such as drug-related activities, prostitution and gambling are spreading.

Meng proposed that the measure which links local officials' political careers with the public order should be implemented throughout the country, and anti-crime work should be viewed as part of the nation's ongoing anti-corruption drive.

Further on Security

OW2908145594 Beijing XINHUA Domestic Service in Chinese 1205 GMT 29 Aug 94

[Text] Beijing, 29 Aug (XINHUA)—On 29 August, Meng Liankun, National People's Congress [NPC] Internal and Judicial Affairs Committee chairman, delivered a report to the plenary session of the ninth meeting of the Eighth NPC Standing Committee on the inspection of the status of implementing the decision to strengthen comprehensive public security management.

It is understood that in mid-May and early June this year, the NPC Internal and Judicial Affairs Committee, acting in accordance with the NPC Standing Committee's plans for this year's inspection of law enforcement efforts, organized inspection teams to inspect how Guangdong Province, the Guangxi Zhuang Autonomous Region, Hebei Province, and Henan Province implemented the "Decision of the National People's Congress Standing Committee on Strengthening Comprehensive Public Security Management."

In his report, Meng Liankun said: During the three-plus years since the "decision" was promulgated, the leaders of Guangdong Province, the Guangxi Zhuang Autonomous Region, Hebei Province, and Henan Province have attached importance to comprehensive public security management and constantly improved their work

performance. Comprehensive management is gradually becoming a large social project in which people from all social sectors are participating. This has provided a strong guarantee for reform, opening up, economic development, unity among various nationalities, and social and political stability. In view of the grim status of public order, the three provinces and one autonomous region have incessantly organized "severe crackdowns" on and special struggles against highway and railway banditry, prostitution, drug trafficking, the abduction and sale of women and children, and gangs that commit murder, robbery, and theft. They have severely punished a number of serious criminal offenders in accordance with the law; strengthened the legal system; frightened criminals; and educated and heartened the masses. They have made new progress in basic comprehensive public security management at the grass-roots level, such as the management of out-of-towners and the construction of neighborhood committees, thus gaining experiences for use in comprehensive public security management during the new period. The good social atmosphere in which people take up the cudgels for a just cause has been promoted, with the emergence in an endless stream in various localities of large numbers of heroic models, such as Xu Honggang and Yao Cihui, who have valiantly fought against lawbreakers and criminals. This has encouraged healthy trends and given rise to new customs.

The responsibility system for the comprehensive management of social security is being implemented gradually. Guangdong, Guangxi, Hebei, and Henan have regarded the establishment of a leadership responsibility system and a target management responsibility system for comprehensive management of social security as an effective measure for advancing the work of improving social security; they assigned targets to leaders at various levels so that they will have to carry out the political responsibility of ensuring social safety. The three provinces and one autonomous region have also included the work of comprehensive management of social security in their social and economic development plans. In this way, social security work and economic and social development plans are carried out simultaneously. This has promoted the implementation of various concrete measures for the comprehensive improvement of social security. The legalization and standardization of comprehensive management of social security have been strengthened to a varying degree. Since the "decision" was put into effect, various regions and departments have upgraded their successful experiences and effective measures to the level of regional laws and regulations. The formulation and implementation of these laws and regulations have great significance for improving the legal system for comprehensive management of social security and for legalizing the various links of work covered by comprehensive management, such as crackdowns, crime prevention, education, control, construction, and transformation. Supervision by people's congresses at various levels and their standing committees

have been gradually strengthened. While actively formulating regional laws and regulations for comprehensive management of social security, the people's congresses of the three provinces and one autonomous region and their standing committees have strengthened supervision in conjunction with their work reality, thus promoting the launching of work to comprehensively improve social security. People's congresses at various levels and their standing committees have universally strengthened work in the following areas: organizing inspection teams to check the implementation of laws in connection with key issues in comprehensive management of social security and "hot" issues of concern to the masses; promoting law-enforcement responsibility system in departments and standardizing the law-enforcing activities of judicial and administrative law-enforcement organs; organizing people's deputies on a fairly big scale to evaluate the work of judicial organs; changing the method of handling major appeal cases; and strengthening people's congresses' supervision over specific cases.

On major problems existing in the current situation of social security, Meng Liankun said: The security situation in the three provinces and one autonomous region as a whole is basically stable, and has safeguarded the smooth progress of reform, opening up, and economic construction. However, the security conditions in quite a few localities holds no optimism, and the grim security situation has not yet been fundamentally changed for the better.

First, the number of criminal cases has not dropped but remained high, and the incidence of heinous crimes has risen to pose grave harm to society; second, the problems of criminals on the run, criminal gangs, and increasingly young criminal offenders have become more and more serious, causing widespread concern in various sectors of society; third, narcotics, pornography, gambling, and other social vices have spread; fourth, new contradictions and problems have cropped up in the process of reform and opening up; and fifth, hostile forces and elements inside and outside the territory have been quite active in their activities, and hostile forces abroad have also stepped up infiltration against China, attempting to manipulate some destabilizing factors to create confusion and stir up trouble.

Meng Liankun recommended in the report: Leaders at all levels should remain sober-minded on the question of social security and firmly foster the ideology of "giving equal emphasis on two fronts and doing well on both"; should further implement the leader's responsibility system in comprehensive management of social security; should continue to step up efforts to strike harshly at crimes and to carry out key anticrime projects; should go all out to strengthen the basic work at the grass-roots level in rural areas; should closely combine the comprehensive management of social security with the anticorruption drive; and should earnestly solve practical problems in public security and judicial work.

Paper Reports Stepped Up Efforts Against Churches

HK2708080094 Hong Kong SOUTH CHINA MORNING POST in English 27 Aug 94 p 7

[By Daniel Kwan]

[Text] Police in China have increased efforts to clamp down on Christians who attend unregistered churches, according to a report by the Chinese Church Research Centre (CCRC).

At least five unregistered church leaders and workers had reportedly been arrested and three sentenced to labour reform.

Two Protestant churches in Shenzhen—one in Huangmugang and the other in Honggang Garden—were closed this month and congregation members were questioned by the Public Security Bureau (PSB) about underground churches in the Special Economic Zone.

According to the CCRC the Huangmugang church was shut down about a fortnight ago. Two leaders were briefly detained. The police took down names of those attending the service and later put the meeting place under surveillance.

The harassment continued until early last week when a house church member who lived in Huangmugang was taken in by PSB officials wanting information about other unregistered house churches in the city.

The CCRC also reported that a house church leader in the north-central part of Henan province was arrested last month when police broke up a meeting of more than 80 Christians.

The church leader was arrested while the others managed to escape.

She was believed to be still under detention because police had demanded 5,000 yuan (HK\$4,284) for her release—a sum beyond reach for Christians there.

Police harassment was also reported in the coastal province of Fujian where an evangelist was arrested for preaching in the countryside surrounding the capital Fuzhou last February.

Two other church workers were later arrested and the three were subsequently sentenced to hard labour, one for 18 months.

About 100 members of a house church in the southern part of Fujian were broken up by the police last month.

A different house church in the same region was also investigated by the PSB and has had to split up to avoid detection, the CCRC report said.

Security Ministry Issues Notice on Illegal Firearms

Prohibit Smuggling, Manufacture, Owning Guns

OW2908041894 Beijing XINHUA Domestic Service in Chinese 2100 GMT 28 Aug 94

["Public notice issued by the Ministry of Public Security of the People's Republic of China on the Seizure of

Illegal Firearms and Ammunition and on the Tightening of the Control of Firearms and Ammunition"]

[Text] Beijing, 29 Aug (XINHUA)—In recent years, some lawless elements have been smuggling, stealing, seizing by force, illegally possessing, buying and selling, or illegally manufacturing firearms and ammunition, and they have seriously jeopardized public security. In order to protect people's lives and property, as well as the property of the state and collectives, the following public notice is hereby issued according to the relevant laws and regulations:

1. It is strictly prohibited for any organization and individual to smuggle, or illegally manufacture, transport, buy, sell, possess secretly or publicly, or carry any firearms for military, athletic, or hunting use, or any air guns, pellet guns, stun guns, tear gas guns, tranquilizer guns, replica guns, as well as fountain-pen-type, ball-point-pen-type, and lighter-type defensive weapons which have a tear gas or knockout effect or which can fire metal pellets; and their ammunition.

2. After this public notice is promulgated, anyone who violates the above provisions shall immediately and voluntarily surrender himself to the local public security organ, together with his firearms and ammunition, as well as tools, equipment, and raw materials for making firearms and ammunition.

3. Whoever voluntarily surrenders his firearms and ammunition within 30 days of the promulgation of this public notice, truthfully explains his situation, and pledges not to repeat the mistake, will be handled leniently according to the law and the seriousness of his case. If he fails to surrender the firearms and ammunition within the prescribed time, the public security organ will take possession of his firearms and ammunition and impose a harsher punishment on him.

4. Whoever has bought hunting rifles or small-caliber firearms through legal formalities shall report to the local public security organ and have his firearms and permits reexamined within 60 days of the promulgation of this public notice. If he fails to do so, he will be punished as an illegal gun owner.

5. Any factory manufacturing firearms and ammunition with the state's approval shall not produce more than the approved quantity, nor sell firearms and ammunition without authorization. If it violates this provision, its illegal gains shall be confiscated and the corporate representatives shall be punished for illegally manufacturing and selling firearms and ammunition.

Any organization which produce and sell the firearms and ammunition listed in item 1 shall be resolutely banned, its illegal gains and production tools shall be confiscated, and the legal liability of the personnel involved shall be investigated according to law.

6. Any organizations and individuals that possess firearms and ammunition legally should strictly abide by the

firearms control regulations, and they are strictly prohibited from renting out, lending, or transferring to others the firearms and ammunition in their custody. Violators shall have their gun permits revoked and their firearms and ammunition confiscated. The persons in charge and the persons directly involved in the violations shall be subject to disciplinary actions by the party or the government or to the penalty code of the public security organs. If the violation is serious and caused serious consequences, criminal responsibility shall be investigated according to the law.

7. All organizations and the broad masses of the people should actively cooperate with the public security organs in doing a good job of taking possession of illegal firearms and ammunition and examining legal firearms. All citizens have the right and the duty to report to the public security organs any violations of this public notice. The public security organs protect informants according to the law. Informants who cooperate shall be rewarded. Anyone who retaliates against informants shall be punished harshly according to the law.

This public notice comes into force upon its promulgation.

[Issued by] Ministry of Public Security of the People's Republic of China

[Dated] 29 August 1994

Further on Firearm Circular

OW2908061694 Beijing XINHUA in English 0604
GMT 29 Aug 94

[Text] Beijing, August 29 (XINHUA)—The Ministry of Public Security today issued a circular announcing that it will confiscate the illegally-owned firearms and ammunitions across the country.

The move is aimed at strengthening the management of weapons nationwide. In September of 1992, the ministry issued a similar circular on illegally-held firearms and ammunitions.

Over the past two years, public security departments in different localities of the country have confiscated more than 390,000 firearms, including 7,200 military guns.

However, a large number of weapons are still scattered in society, which not only threaten social security, but also endanger personal safety of the people.

The Ministry of Public Security stressed in the circular that all civilian units and individuals are forbidden to smuggle or to illegally manufacture, transport, trade, store, possess and carry military guns, sports guns, hunting rifles, powder guns, air guns, steel ball guns, electric shock guns, tear gas guns, and anaesthetic rifles, or to make any equipment capable of producing tears, anaesthetic effects and sending metallic bullets, or to make auxiliary ammunitions.

According to the circular, people holding hunting rifles and small-bore guns with proper certificates are required to have them reexamined and their certificates renewed within two months.

The circular also called on factories with state approval for producing civilian-use firearms and ammunitions not to exceed their production plan or to sell them without authorization.

Lawmakers Propose Banning Tobacco, Alcohol Advertising

OW2708143394 Beijing XINHUA in English 1353
GMT 27 Aug 94

[Text] Beijing, August 27 (XINHUA)—Chinese legislators proposed banning the advertising of tobacco, alcohol and medicines, when they were deliberating the country's first draft advertising law today.

"Advertising tobacco, alcohol should be banned," Li Xuge, member of the Standing Committee of the National People's Congress (NPC), said.

"The manufacturers and advertising agencies alike may have to sacrifice part of their profits, but the general public, especially the younger generation, will benefit," he said.

Yang Zhenya, another member of the NPC Standing Committee, proposed that advertisements for medicines should be limited to certain specialized medical journals.

"Ads for medicines are notoriously inaccurate and make wild claims. People without specialized knowledge cannot evaluate them," Yang said.

Similar rules have already been enacted in developed countries and regions, and with success, for the good of the health of the public, lawmakers said.

"Since China has not banned such ads, foreign tobacco and alcohol have poured in, to the detriment of the public health," Yang complained.

These bans are especially relevant, as fake and shoddy goods are being sold via ads. "Fake and shoddy alcohol and medicines have been disastrous to consumers and patients," Yang explained.

The two legislators both asked that health foods be clearly separated from medicines in the draft law, and the advertising of health foods, too, should be limited.

Legislators also said they wanted tougher sanctions against illegal advertising.

The ceiling fine for law-breakers in this respect should be lifted from the current 200,000 yuan, and specific administrative and criminal punishment should be included in the draft, said Yang Zhenya.

All the parties involved in illegal advertising—the advertiser, ad agency and media, should shoulder more responsibility, he said.

Other legislators suggested that disguised advertising should also be banned, including competitions and goods recommendation.

"They are de facto ads separate from the advertising agencies," said Dong Fureng, a legislator and economist.

Upcoming Plenum To Focus on Party Building

HK2908065294 Hong Kong HSIN PAO in Chinese
26 Aug 94 p 28

[*"Beijing Political Situation"* column by Jen Hui-wen (0117 1979 2429): "Main Themes for CPC Fourth Plenary Session Set—Economy as the Center and Party Construction as the Core"]

[Text] Over the last few months, there have been diverse and confusing rumors on the timing and agenda for the Fourth Plenary Session of the 14th CPC Central Committee. One story going the rounds in early June said the fourth plenary session would be held in the second half of the year, and would come to a decision on the problem of macroregulation and control over the socialist market economy system, apart from focusing on problems with state-owned large and medium-sized enterprises and agriculture. In July, there was another story, saying that October was the time of convocation, and that party construction—including increasing the pace of grooming successors for leadership across the century—would be the key agenda. These rumors, all of which had a certain degree of truth, reflected to some extent the indecisiveness of the CPC high levels in arriving at a keynote for the plenary session, which is another way of saying that there was a relatively great divergence of views within the party hierarchy, preventing the highest levels from coming to a decision.

Party Construction as the Core of Discussion

However, an informed source from Beijing revealed that between late July and early August, at a central leader get-together in Beidaihe, the CPC high levels finally had determined two main themes for the Fourth Plenary Session—one was party construction and the other the economy, with the former being the core. Why did the CPC take party construction as the central agenda for the plenary session? According to the Beijing informed source, around May and June this year, a number of members of the Standing Committee of the CPC Central Committee Political Bureau made inspection tours around the country. They found many difficulties for the pursuit of economic construction and uncovered many serious problems in grass-roots party organizations, such as demoralization, an unhealthy party style, the seeking of fame and fortune, working for one's own advantages at the expense of other people, abuse of power for personal gain, graft, corruption, weakening cohesiveness, and so on. These difficulties and problems caused them to see the necessity of strengthening party construction.

In particular, following his inspection of Shandong and Fujian in the second half of June, CPC General Secretary

Jiang Zemin began to stress repeatedly that the party had to supervise itself; that party organizations at all levels had to be strengthened both ideologically and organizationally, and should be made to study actively the basic line and theories; that there should be efforts to combat graft and foster clean government, as well as stern rule in running the party; and that cohesiveness within the party must be strengthened in order to enable the party core to exercise its leadership. He believed that these were the fundamental guarantees for a smooth conduct of reform, opening up, and economic construction toward success.

As the disorganized state among grass-roots party organizations and weakening cohesiveness were common findings on the inspection tours by members of the Standing Committee of the CPC Central Committee Political Bureau, strengthening party construction very quickly became a consensus at the central leaders' Beidaihe get-together. Those present unanimously agreed that party construction was obviously lagging behind the now vigorously pursued economic construction. If party construction fell behind and the party became totally disorganized, there certainly would be trouble; only by increasing party cohesiveness could problems be solved in a fundamentally way. The participants also pointed out that Deng Xiaoping was 90 years old this year, and some people in Western countries were always expecting to see China split up following Deng's death; therefore we should step up efforts at party construction while Deng is alive, and not merely in word, but in deed.

To achieve speedy results from party construction, the participants wanted the Shanghai municipal party committee, which had gained some initial successes in the cohesiveness drive, to draft a report on its experience for the CPC Central Committee, which would relay it nationwide, with a call to learn from Shanghai's experience. It seems that the cohesiveness drive is going to be a key move in the CPC's effort to strengthen party construction.

The Two Great Headaches in Economic Construction

The informed source also said that apart from party construction, another key agenda was summing up and implementing the experiences and lessons gained in implementing the decision by the Third Plenary Session of the 14th CPC Central Committee to build a socialist market economy system, and to move reform, opening up, and economic construction to a new dimension.

At present, there are two problems for economic construction urgently awaiting solution: 1) The prosperity gap between the coastal and inland provinces; and 2) The prosperity gap between the Han people and the minority nationalities.

It was the central authorities that decided as a policy to reform and open up coastal provinces so as to enable them to get rich ahead of others. Inland provinces, however, adopted a protectionist policy when they saw

they were being outstripped by their coastal counterparts, sharpening contradictions between the coastal and inland provinces. Jiangxi, for example, increased the prices of rice exports to Guangdong, the importer of its rice every year. When coastal provinces were in need of inland labor force, Sichuan and other inland provinces reacted with a policy of charging 100 yuan for each laborer supplied. Inner Mongolia raised mutton prices when Beijing needed mutton. At present, the central authorities are turning a blind eye to such local protectionism, neither encouraging nor suppressing these protectionist practices, if only because the gaps between regions are too big and it is therefore understandable that poor provinces should adopt some kind of measures. If this situation is allowed to grow unchecked, however, inflation will continue spiralling up, like a runaway horse that will be hard to rein in, leading possibly to general discontent and turmoil.

Beijing politicians said that although Deng Xiaoping had envisaged in his southern inspection address taking on the problem of the widening income gap around the end of this century, when the economy is comparatively well-off, the actual situation seems to be that the problem has become quite urgent and demands an immediate solution. In fact, some of the provinces that have gotten rich ahead of others have become aware of the necessity of cooperating with their neighbor provinces to secure better development. Guangdong provincial party Secretary Xie Fei said recently: "Though economically backward, Jiangxi, Hunan, and Guangxi are nevertheless our neighbors; we have a responsibility to develop their economies. We will formulate some internal integration programs to help them catch up slowly." Beijing municipal party Secretary Chen Xitong also said: "We deeply understand Inner Mongolia's measure (raising mutton prices). We will be strengthening economic ties with it in some areas with a view to setting its economy in motion." Chen believed that the Fourth Plenary Session would encourage such coordination.

Hu Jintao Proposed Aid to Tibet

The informed source revealed that the problem of the income gap between the Han people and the minority nationalities was first disclosed in a report by the State Nationalities Affairs Commission to the CPC Central Committee. It pointed out that the southwestern and northwestern regions are economically backward, with an increasingly widening income gap, and that minority nationalities are complaining that all the rich are Han people and that the Communist Party could not care less about the minorities. This problem, if ignored, surely will deepen nationality contradictions. The report proposed that the Central Committee approach the nationality problem as one having a significance for united front work, and that it adopt the method of providing transfers, aid, and leadership in dealing with minority nationality economies, so they may grow continuously. The report said this method would be the most effective and heart-winning united-front tactic.

It was reported that the proposal by Hu Jintao, member of the Standing Committee of the CPC Central Committee Political Bureau, to take Tibet as the starting point for solving the nationality problem, was inspired by the State Nationalities Affairs Commission report. The third forum on the work of Tibet was convened by the CPC Central Committee and State Council in Beijing in the second half of July at the proposal of Hu Jintao.

The forum agreed that the aid package provided by the Central Committee and provinces to Tibet would consist of 62 projects in sectors like energy, posts and telecommunications, agriculture, animal husbandry, forestry, water conservancy, the processing of grain and oil-bearing crop products, and social development—commanding a total investment of 2.38 billion yuan. Central and concerned departments would undertake 32 projects amounting to 1.802 billion yuan, 75.7 percent of the total amount. Local unit-to-unit support would account for 30 projects, picking up 578 million yuan—or 24.3 percent—of the total amount.

Beijing politicians pointed out that enlisting the support of provinces and cities across the country in aiding Tibet is regarded as the most effective way to thwart Western separatist designs on Tibet. In addition, Hu Jintao's proposal doubtless will further confirm his position as a successor.

Propaganda Department Holds Forum

OW2608112094 Beijing XINHUA Domestic Service in Chinese 1327 GMT 25 Aug 94

[By Yu Changhong (0060 7022 3163)]

[Text] Beijing, 25 Aug (XINHUA)—On 25 August, a study and discussion class for the directors of the propaganda departments of the party committees of the large- and medium-sized cities throughout the country opened in Beijing. Ding Guangen, CPC Central Committee Political Bureau member and director of the Propaganda Department of the CPC Central Committee, addressed the participants.

This is the first time in the history of propaganda work that a study and discussion class for the directors of the propaganda departments of large- and medium-sized cities has been held. This is an effective method of strengthening the training and building of the ranks of propaganda cadres and is also an important move in strengthening and improving propaganda and ideological work in the new situation. Taking Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics and the party's basic line as their guide, the participants to the class will profoundly study the guidelines of the national conference on propaganda and ideological work and focus on discussing the further implementation of the basic ideas, principles, and major tasks regarding propaganda and ideological work.

In his speech, Ding Guangen stressed: The major principles for propaganda and ideological work have been set

by the 14th CPC National Congress and the national conference on propaganda and ideological work held this year. Our important task under the present circumstances is, under the leadership of the party Central Committee with Comrade Jiang Zemin as the core, to uphold Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics as our fundamental principle, to focus on the party's overall work, to arm ourselves with scientific theories, to guide people with correct public opinion, to influence people with noble spirit, to encourage people with outstanding creative works, to emancipate our minds, to seek truth from facts, to unite as one, and to work in a down-to-earth way.

Ding Guangen expressed the hope that the participants in the study and discussion class will study conscientiously, think seriously, exchange experiences in light of reality, enliven their thinking, and achieve actual results. Through studies and discussions, they will enhance their consciousness of doing propaganda and ideological work well, enhance their concept and awareness of overall interests, enhance their sense of duty for their cause, and strengthen principles, systematicness, foresight, and creativity with regard to work.

Participating in the study and discussion class are the directors of the propaganda departments of 27 provincial capitals and cities and five cities directly under state control; the deputy directors of the propaganda departments of Beijing, Shanghai, and Tianjin municipalities; and the directors of the propaganda departments of the Ministry of Railways and the Political Department of the Civil Aviation General Administration of China.

Law Requires Cadres To Declare Property Income

HK2908020894 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1022 GMT 24 Aug 94

[Text] Beijing, 24 Aug (ZHONGGUO TONGXUN SHE)—China is now speeding up the formulation of the Property Income Declaration Law, in accordance with which party members, leading cadres, and state civil servants will have to declare their own property incomes.

According to relevant persons of the Central Discipline Inspection Commission and the Ministry of Supervision, in light of the listing of companies in Beijing, Shanghai, Tianjin, Hebei, Fujian, Anhui, and other provinces in recent years, demands on the discipline of party members, leading cadres, and state civil servants have been set accordingly, and standards of discipline also have been formulated to ensure clean and honest work personnel in such areas as financial, railway, public security, and customs organs.

The formulation of the Property Income Declaration Law will further improve China's system of discipline inspection laws and regulations, and its system of supervision laws and regulations.

Courts Promise English Version of 'China Law Reports'

3,000 Page Translation Expected Late 1994

HK2908045494 Hong Kong SOUTH CHINA MORNING POST in English 29 Aug 94 p 1

[By Stella Lee]

[Text] Harsh criticism of China's legal system is expected when a report on the mainland's significant cases is published in English for the first time later this year. The English report will be a translation of The China Law Reports, which contains details of 3,000 cases between 1990 and 1992. The China Law Reports, published last year, is the first report of the Supreme People's Court.

A Hong Kong legal consultancy has been authorised to publish the 3,000-page translation. Chinese and English versions are to be distributed annually.

Experts said opening China's legal system to world scrutiny marked a significant breakthrough.

The editor-in-chief of the English report, Priscilla Leung Mei-fun, who is an associate professor in the Law Faculty at the mainland's People's University, said the legal drafting technique used in the Chinese report was "very primitive." She said the way the mainland's judiciary handled cases and the provision of facts and evidence as listed in the report were regarded as "ridiculous" by foreign experts. Ms Leung said the editing team of mainland and Hong Kong legal experts would try not to lose the gist of the original version during translation. "We have to tell the world the facts about how China's courts pass judgment. We expect there will be drastic feedback on the reports from all over the world when the English version is published," she said.

It covers criminal, administrative, civil, and economic cases in the Basic, Intermediate, Higher, and Supreme People's Courts.

It is believed the trial of the Hong Kong boss of Shenzhen's Zhili factory, Lo Chiu-chuen, will be included in the second volume, which will contain cases from last year and this year. Lo went on trial after a fire at the factory which left 87 dead.

But legal experts believe the trial of Ming Pao reporter Xi Yang, who was accused of stealing state secrets, will not be included as the case is too sensitive and the report lists only open trial cases.

The Bar Association chairman, Ronny Wong Fook-hum, welcomed the move to publish the report in English. "It is a useful exercise since it will help spread knowledge about China's legal system. It will also provide access to precedents, making it easier for case results to be predicted," Mr Wong said. But he said the quality of the translation was not high and the format was "messy."

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Ms Leung agreed the report would help clarify the issue of precedent setting. "The detailing of precedents will give a clearer guideline to courts and will help eliminate the problem of courts of the same level making different or contradictory decisions on similar cases," she said.

Ms Leung, who is also a lecturer in the City Polytechnic's law department, said the mainland's move to publish the legal report should be appreciated. She said the idea of publishing it was initiated by mainland scholars who had studied abroad, where they were strongly influenced by the Common Law system in which precedents are one of the most important sources in trial outcomes.

Meanwhile, a bilingual magazine on the mainland's legal system which will include a listing of cases, will be published in Hong Kong by a group of mainland legal experts in October. Liu Gushu, a lawyer and chairman of the China Legal Service, said the magazine would help foreigners understand the mainland system.

Editorial Hails English Publication

HK2908045594 Hong Kong SOUTH CHINA MORNING POST in English 29 Aug 94 p 10

[Editorial: "More Openness Applauded"]

[Text] The coming publication of the first official English-language translation of The China Law Reports is to be welcomed, not only because it should increase international understanding of Beijing's troubled legal system but because of the role this increased understanding should play in improving the system itself. The legal process of the People's Republic has long been something of a mystery to outsiders. Language problems have been a major obstacle to understanding, as has the obsessive secrecy displayed by Beijing over the decades. Another obstacle has been the fact that the law has not always been applied systematically in China.

However, China does have a clear legal framework, even if there are serious problems in practice, and anything that increases understanding of that framework is good for China. A fair and transparent legal system is an important prerequisite for long-term economic progress. While individual entrepreneurs will often take a risk in doing business with a developing country, whatever its government and no matter how arbitrary its exercise of power, transparency and predictability are necessary to attract investment funds that will help bring about sustained economic development.

China has some way to go in eradicating corruption and favouritism and the first English version of 3,000 reports of significant legal cases between 1990 and 1992 should speed the process. Foreign companies should be in a position to cite precedents in their favour if they fall foul of local authorities, an important fact when China itself has admitted to a serious shortage of lawyers. China would, in its turn, do well to pay attention to comments offered on the case reports. While foreign experts may

sometimes be lacking in understanding of China's particular problems, they will often be in a position to save Beijing from possible pitfalls and to help it draw on the experiences of other nations.

Security for Far East-South Pacific Regional Games

OW2808135194 Beijing XINHUA Domestic Service in Chinese 0720 GMT 27 Aug 94

[By reporter Niu Aimin (3662 1947 3046)]

[Text] Beijing, 27 Aug (XINHUA)—This reporter learned today from the Beijing Municipal Public Security Bureau that all security measures and inspections for the Far East and South Pacific Regional Games of the Handicapped had been properly carried out.

Since early this year, public security organs in Beijing have regarded ensuring security for the games as an important task, have pointedly and severely cracked down on crimes and taken effective measures to improve public security, and good results have been achieved. From January to July this year, public security organs in Beijing cracked 2,599 major criminal cases and improved order at 44 sites at which security and order were poor, creating a good public security environment for the games.

It has been revealed that, since July, the security unit of the games has actively implemented all security measures related to the games. It has made all-out efforts to organize security work and to implement security measures; drawn up the "Security Work Plan For the Sixth Far East and South Pacific Regional Games of the Handicapped" and a plan on ensuring the security of activities in 27 areas; and held seven coordination meetings to study various security measures and to affix responsibility to security personnel. Authorities concerned conducted tight security inspections in the athletes village and at all competition sites, as well as on the supply of water, heat, gas, and electricity. They also provided security training to workers of the athletes village, inspected 500 key fire-prevention facilities in Beijing, laid out a fire fighting plan, and took effective measures to improve traffic order, to ensure free traffic flow, and a good traffic order during the games.

State Council Sends Greetings to Autonomous Area

OW2708001094 Beijing XINHUA Domestic Service in Chinese 1541 GMT 24 Aug 94

[By reporter Xu Junfeng (1776 6511 1496)]

[Text] Urumqi, 24 Aug (XINHUA)—China's only autonomous prefecture with people of the Kirgiz nationality as the main body—Xinjiang's Kizilsu Kirgiz Autonomous Prefecture—today ushered in its 40th founding anniversary. The Standing Committee of the National

People's Congress and the State Council sent a message of greeting to the celebration meeting.

The message of greeting says: Under the leadership of the Xinjiang Uygur Autonomous Regional CPC Committee and the regional people's government, the diligent and intelligent people of various nationalities in the Kizilsu Kirgiz Autonomous Prefecture have, over the past 40 years, conscientiously implemented the party's nationality affairs policy, carried forward the fine tradition of self-reliance and hard struggle, united as one, overcome difficulties, and made great contributions to revitalizing the economic, cultural, and other work of the autonomous prefecture. In particular, since the Third Plenary Session of the 11th CPC Central Committee, cadres and people of various nationalities of the autonomous prefecture have firmly implemented the party's line, principles and policies, persisted in taking economic construction as the central task, adhered to the four cardinal principles, and kept to reform and opening up. The outlook of the autonomous prefecture has undergone a profound change, and the socialist relationship among people of various nationalities based on equality, unity, and mutual assistance has been consolidated and developed. The greeting message wishes the prosperity of Kizilsu Kirgiz Autonomous Prefecture and happiness of the people of the autonomous prefecture. The Kizilsu Kirgiz Autonomous Prefecture is located in the Pamir Plateau, Xinjiang's western border area. The autonomous prefecture has a total area of 70,900 square kilometers. Of the 140,000 people of Kirgiz nationality, 120,000 are living in the autonomous prefecture. The autonomous prefecture produces wheat, corn, rice, cotton, melon, and fruits. It has abundant mineral resources and is an important water and power base in southern Xinjiang.

Over the past 40 years, the total agricultural and industrial output value rose by 500 percent as compared with the period before the establishment of the autonomous prefecture. State revenues increased by 10.25 times, the volume of retail sales of consumer goods grew by 12 times, and the net cash income of peasants and herdsmen increased by 10.3 times. The autonomous prefecture has registered bumper harvest and success in agricultural and livestock production for 14 years running. In 1993, the total grain output was 120,000 tonnes, cotton output was 6,500 tonnes, and edible oil was 4,000 tonnes. The autonomous prefecture has built many highways and the operation of postal and telecommunications work is smooth. There are numerous trade fairs and markets in urban and rural areas, and more than 12,000 businessmen of the autonomous prefecture are actively doing business in various locales of our country and various countries in central Asia.

At the celebration meeting, people of various nationalities wearing colorful clothing sang and danced amid lively music. They celebrated the 40th founding anniversary of the autonomous prefecture together with guests from the central authorities and foreign countries.

CPCCC, State Council Cable to Zhejiang People
OW2708001294 Beijing XINHUA Domestic Service in Chinese 1130 GMT 24 Aug 94

[Text] Beijing, 24 Aug (XINHUA)—The CPC Central Committee and the State Council today sent a cable to the Zhejiang Provincial CPC Committee and the provincial government to extend warm encouragement to cadres and the masses in areas in Zhejiang hit by the typhoon and to the commanders and fighters of the Chinese Liberation Army, officers and men of the armed police units, and public security cadres and policemen who are at the forefront of fighting the disaster and providing disaster relief. The full text of the cable is as follows:

To the Zhejiang Provincial CPC Committee and the provincial government:

The Number 17 typhoon landed in your province's area of Ruian on the evening of 21 August. Strong winds, heavy rains, and high tides caused a major natural disaster of a scale rarely seen in the past 100 years. Many areas including Wenzhou and Taizhou were hit particularly hard. Following the report of the disaster, your province's leading comrades immediately rushed to the scenes of the disaster, busily directed the troops and the people in the stricken areas to plunge into disaster-relief work, and helped reduce the damage caused by the disaster. During the disaster-relief work, broad masses of CPC members and cadres at all levels, braving hardships and dangers, plunged into the relief efforts, thereby displaying an exemplary model role. The CPC Central Committee and the State Council want to hereby extend a warm encouragement to you, as well as through you to all cadres and the masses in areas hit by typhoon and to the commanders and fighters of the Chinese Liberation Army, officers and men of the armed police units, and public security cadres and policemen who are at the forefront of fighting the disaster.

It is hoped that you will continue to enhance the leadership over the anti-disaster and disaster-relief work, do an even better job, and overcome difficulties. While taking good care of the masses' daily life in the disaster areas, you are urged to call on the masses to help themselves; to rebuild their hometowns; to help restore agricultural and industrial production as soon as possible; and to strive to score a complete victory in the anti-disaster and disaster-relief work. (Signed) The CPC Central Committee and the State Council (Dated) 24 August 1994

State Council Issues Educational Reform Suggestions

OW2708153694 Beijing XINHUA in English 1455 GMT 27 Aug 94

[Text] Beijing, August 27 (XINHUA)—The Chinese State Council has issued a suggestion on the implementation of "The Outlines Of China's Educational Reform and Development".

In February last year China made public the program, which set the goals of educational development in the 1990s.

The suggestion says that the outlines are a programmatic document guiding the restructuring and development of the country's education in the 1990s and the early years of the next century.

The suggestion reaffirms the objective that by the end of this century China should realize universal nine-year compulsory education and elimination of illiteracy among the young and middle-aged.

The suggestion proposes that the large cities and the coastal areas, where the economy is comparatively well developed, should promote high-school education for as many people as possible, on top of the nine-year compulsory basic education.

China should also promote vocational and adult education so as to provide opportunities for most young people to receive technical and professional training and to improve their cultural and professional capabilities.

A new educational system keeping abreast of the market economy should be taking shape now, the suggestion says. The schools and universities will not be totally run and funded by the government while all individuals and institutions are encouraged to sponsor the schools. The schools are encouraged to earn money by establishing industrial enterprises, which will be tax-exempt.

The students will also need to pay tuition fees and will have to look for jobs after graduation by themselves. This new policy will be put into operation in 1997 and will be universally carried out by the year 2000.

However, the financial input from the central government will also increase to four percent of the gross national product value by that year.

The suggestion emphasizes that contingent of teachers should be stabilized by improving their social status and income. No delayed payment of teacher's salaries can be allowed.

The suggestion concludes by calling on the government and leaders at all levels to pay as much attention to the program and its implementation as to economic construction.

Circular: Unified Management of Honorary Titles

OW2808135594 Beijing XINHUA Domestic Service in Chinese 2127 GMT 26 Aug 94

[Text] Beijing, 27 Aug (XINHUA)—To improve the appraisal and designation of ministry-level honorable titles and introduce, step by step, a regular, standardized reward system, the Ministry of Personnel issued a circular the other day urging the ministries, commissions,

and other organs under the State Council to improve administration in the conferring of ministry-level honorable titles.

The circular notes that in recent years, honorable titles have been widely used among the various working departments under the State Council to reward and commend individuals. By commending advanced and exemplary personnel, they have aroused the initiative and creativity of the vast ranks of staff members and workers, thereby advancing socialist material and spiritual civilizations. However, some problems have also arisen in the conferring of such honors. There are an inordinate number of honorable titles of every description, many of which duplicate each other, and that they are conferred much too frequently, adversely affecting the sound development of the conferring of honorable titles.

The circular stresses: In the future, ministry-level honorable titles conferred by the working departments under the State Council will be standardized as "model worker" and "advanced worker," which are preceded by the name of the sector where the worker is employed. The title "model worker" is conferred on employees of enterprises and peasants while the title "advanced worker" is given to personnel of state organs and establishments. The targets of appraisal and selection should be conferred within one's respective sector; as a general rule, no intersectoral appraisal and selection should be attempted. Standards and requirements for the appraisal and selection should be strictly followed. Meanwhile, efforts should be made to institute a system of planning and declaring in regard to the appraisal of ministry-level honorable titles.

The circular notes: It is necessary to uphold the principle of combining moral encouragement and material reward. The recipient of ministry-level honors should be conferred a medal, a certificate, and appropriate material reward equivalent to those given to the provincial-level model workers and advanced workers.

Science & Technology

Li Peng, Song Jian Address Meeting for Scientists

OW2708000794 Beijing XINHUA Domestic Service in Chinese 1240 GMT 22 Aug 94

[By reporter Yang Ning (2799 1337)]

[Text] Beijing, 22 Aug (XINHUA)—At a ceremony held in Beijing today, the Qishi [truth seeking] Science and Technology Foundation, founded by Hong Kong industrialist Zha Jimin, presented awards to 10 Chinese scientists whose contributions to China's science and technology efforts have been exceptional.

Premier Li Peng attended and addressed the meeting. He warmly congratulated the scientists and presented them

with certificates of honor. Wan Li, Wang Guangying, Lu Jiaxi, Li Peiyao, and Zhu Guangya were present at the ceremony.

The ten award recipients were mathematician Wu Wenjun; the late theoretical physicist Deng Jiaxian; physicist Zhou Guangzhao; theoretical physicist Yu Min; space scientists Ren Xinmin, Liang Shoupan, Tu Shoue, and Huang Weilu; chemist Qian Renyuan; and medical expert Chen Zhongwei.

The Hong Kong Qiushi Science and Technology Foundation was established in early 1994 for the purpose of honoring and encouraging people who have contributed exceptionally to China's scientific, technological, and educational development. The name of the foundation, "Qiushi," comes from "Qiushi College," the predecessor of the Zhejiang University.

In his speech, Li Peng said: China, as a developing country, must work very hard for a long time to come before it can achieve the four modernizations. But we are convinced that China will, and certainly can, become an affluent and strong country. Fundamentally speaking, China must count on progress in science and technology to become an affluent and strong country. Li Peng stressed that Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics, as well as his other important ideas about scientific and technological development, have become deep-rooted in China's great land and in the hearts of the vast number of scientists and technicians. He said: We have ample confidence in China's scientific and technological development, as well as in China's future.

Li Peng expressed his wholehearted thanks to the Qiushi Science and Technology Foundation set up at Mr. Zha Jimin's initiation. He spoke highly of Mr. Zha Jimin's patriotism and his love for science, saying that the foundation not only has honored the 10 outstanding veteran scientists, but also serves as a great inspiration for the vast number of scientists and technicians.

Song Jian, state councillor and minister in charge of the State Science and Technology Commission, also warmly congratulated the scientists and thanked Mr. Zha Jimin and the Qiushi Science and Technology Foundation for its support for China's scientific and technological development. Song Jian said: Progress made in science and technology has become a main force pushing China's modernization drive and social development. But proficient personnel are essential for scientific and technological development. Training a large number of highly proficient scientists, technicians, and engineers is essential for ensuring China's modernization. The state attaches great importance to scientists' creative work and has in many ways awarded those who have made exceptional contributions to the nation's scientific and technological cause. Today, respecting knowledge and proficient personal has become our society's common understanding.

Mr. Zha Jimin, the foundation's founder, and Mrs. Zha were present at today's ceremony. A native of Ninghai in Zhejiang, Zha Jimin is also a member of the Preliminary Working Committee of the Preparatory Committee of the Hong Kong Special Administrative Region.

Over 300 experts and scholars, including Fang Yi, Zhang Aiping, and Zhang Jingfu; the foundation's advisers Zhou Guangzhao, Chen Xingsheng, Yang Zhenning, and Jian Yuewei; and persons in charge of the State Council's departments and committees were present at today's ceremony.

Optus B3 Satellite Launch Carried Live *OW2808110494*

[Editorial Report] Beijing Central Television Program One Network in Mandarin at 2305 GMT on 27 August transmits live coverage of the launching of the Australian-owned Optus B3 communications satellite from the Xichang Satellite Launch Center in Sichuan Province. Reception is fair.

At 2305 GMT, video shows a long shot of a white rocket standing on the launch pad. The top section of the rocket is painted with the U.S., PRC, and Australian national flags, while the middle section is painted with four large black Chinese characters "Zhongguo Hangtian," for "Chinese Space Aviation." Four boosters are strapped to the bottom of the rocket. Video then cuts to show an unidentified male correspondent speaking in the control room. He briefly introduces the partners involved in the launch and wishes the launch success.

At 2306 GMT, the video shifts back to a long shot of the rocket in an upright position. The correspondent says: "The rocket's total length is 49.7 meters. It uses liquid propellant and has a liftoff weight of 458 tonnes. Its load capacity in near-earth orbit is 9.2 tonnes." The correspondent says that it is the 35th time a Chinese Long March rocket is being used to launch a satellite. As the correspondent provides information on the rocket, the video zooms in to show a medium closeup of the rocket's upper section, then switches to show a wide-angle shot of the control room where technicians are seen working at computers in front of a giant screen.

At 2307 GMT, the correspondent says: "The tip of the rocket is a conical section that is 10.5 meters high and 4.2 meters across. It is called a fairing." Noting that the Optus B3 is inside the fairing, the correspondent says that the communications satellite, which has 48 transponders (zhuan fa qi), will be used mainly for transmitting telegraph, telephone, radio, and television signals in Australia and neighboring countries.

At 2309 GMT, the correspondent says the launch site has gone into a one-minute preparatory period as the video shows spectators, some sitting and some standing, in an open field waiting for the launch to begin.

At 2310 GMT, video shows the bottom of the rocket amid the sounds of a siren. Bright orange flames are seen coming out from the bottom of the rocket. The video zooms back to show long shots of the rocket soaring into the sky, with white smoke trailing behind. The video then shows spectators applauding and flashing victory signs as they look skyward.

At 2312 GMT, the correspondent says: "The rocket is now 127 seconds into flight. The four boosters have smoothly separated from the rocket. They will fall in Gulin County, Sichuan." The video then shows a drawing of four boosters separating from a rocket, with a PRC map shown in an inset in the lower right-hand corner. The area corresponding to Sichuan is painted red on the map. The video then switches to show the rocket's path on a screen as the correspondent says: "The rocket is now 160 seconds into flight. The oblique path shown on the screen indicates the normal separation of the first and second stages of the rocket. After separation, the wreckage of the first stage will fall into Tianzhu County, Guizhou Province. The second stage of the rocket is continuing its flight according to predetermined procedures." The video again shows a drawing of a rocket from which the first stage is separating. An inset in the lower right-hand corner shows a PRC map, with a broken red curve pointing to the area into which the wreckage will eventually fall.

At 2313 GMT, the correspondent says: "The rocket has now left the atmosphere and the fairing has fallen off automatically according to predetermined procedures. Debris from the fairing will fall into Dongkou county, Hunan Province." As the correspondent briefs the viewers on the status of the rocket, video shows a drawing of a rocket with the fairing coming apart.

At 2315 GMT, the video shows a drawing of the rocket's orbits and orbital parameters. The correspondent says: "The second stage of the rocket is continuing its flight. When it is 571.54 seconds into flight, it will begin adjusting its flight pattern according to predetermined procedures. The adjustment will be completed when the rocket is 675.2 seconds into flight." The correspondent says that the satellite will then separate from the rocket and enter a near-earth orbit with a perigee of 185 kilometers (km) and an apogee of 1,105 km. Thereupon, the correspondent says, all launch services undertaken by the China Great Wall Industry Corporation will be completed in accordance with contractual provisions. Thereafter, the satellite will enter a geosynchronous transfer orbit and be sent into a position above the equator 35,786 km from the Earth.

At 2317 GMT, the correspondent notes the difference between the current launch and the launch of AsiaSat-1 on 21 July. According to the correspondent, Optus B3 is being launched into a near-earth orbit before being transferred to another orbit, while AsiaSat-1 was sent directly into a geosynchronous transfer orbit. As the correspondent explains the different methods of

launching a satellite into an orbit, the video shows scientists applying finishing touches to a rocket, which is placed in a horizontal position, in a large white room, then switches to show flatbed trucks carrying different rocket sections driving along a narrow road. The video then shows the locations of different satellite tracking stations on a PRC map.

At 2321 GMT, the video shows people clapping as the correspondent says: "Viewers and friends: The rocket and its payload have now separated." The live coverage then ends.

'News Analysis' on Future of Space Industry

OW2808073294 Beijing XINHUA in English 0716
GMT 28 Aug 94

["News Analysis" by Li Xiguang: "China Eyes Greater Prospect of Launching Foreign Satellites"]

[Text] Beijing, August 28 (XINHUA)—The successful launch of an Australian communications satellite at China's Xichang launch site today undoubtedly will serve to boost the confidence of the country's space industry for putting at least another 30 foreign satellites on orbit before or around the year 2000.

China has been entering a new stage in launching commercial satellites for foreign customers, as a series of launching contracts are being carried out, officials from the space industry said.

According to the officials, China will speed up the process of commercializing and industrializing space technology, and with its Long-March carrier rockets series, is ready to launch a variety of application satellites and scientific experimental satellites for overseas clients.

The set schedule includes more than 30 foreign satellites of different types to be launched for the next decade or so. For example, the China Great Wall Industry Corporation will launch 10 communications satellites for the U.S. Hughes Communications International, Inc. between 1995 and 2006.

Space scientists believe that after over four decades of development, China's space industry, with its technology reaching world-top-level in important areas, is able to meet the demands of carrying out a wide spectrum of commercial launch of foreign satellites.

With such sophisticated technologies as making low-temperature high energy rockets and heavy-thrust cluster carrier rockets, China has so far developed seven types of the Long-March carrier rocket series, which have put 44 Chinese and foreign satellites on different orbits for varying purposes.

Foreign satellites launched by the Long-March carrier rockets included the "Asiasat I" communications satellite, a Pakistani scientific satellite, a Swedish satellite,

three Australian communications satellites and the "Asia-Pacific Sat-1" communications satellite.

An official from the State Commission of Science and Technology said that a whole series of Long March carrier rockets has been formed, put into general use, standardized and gone into mass production as well.

Early this year, China successfully launched the Long March-3A carrier rocket, which is capable of launching a 2.5-ton satellite. This indicated that the rocket can not only suit domestic needs, but also provide a wide range of services for the international market.

"China will actively import foreign capital, technology and management in a bid to step up the formation of the country's export-oriented space industry," said Hui Yongzheng, vice-minister of the State Commission of Science and Technology.

"The export of civilian space technology and products will be encouraged," he asserted.

China has signed governmental space pacts and key project contracts with Germany, Italy, Britain, the United States, Russia, Brazil, India, Pakistan and the Republic of Korea.

In particular, China has attached importance to space cooperation with developing countries. For example, and Sino-Brazilian cooperation on the research and production of a resources satellite is proceeding smoothly.

Also, China has trained more than 40 space experts for Ghana, Mongolia, Laos, Malaysia, Tanzania, Pakistan and Vietnam. It is planning to provide meteorological satellites data receiving stations for other developing countries at production cost.

With 100,000 staff involved, China's space industry each year invests about 400 million yuan in its civilian space projects for research, design, experimentation and fabrication of satellites, carrier rockets and other high-tech products.

Atomic Energy Institute Base for Development

OW2808094694 Beijing China Radio International in English to Western North America 0400 GMT 24 Aug 94

[From the "Current Affairs" program]

[Text] The China Atomic Energy Scientific Research Institute has become the country's major base for nuclear energy research, development, and production for civil use. As CRI's [China Radio International] Yang Bin reports, it is a good example of China's strategic adjustment for military-oriented industries. Here is Chen Yong with the details:

[Begin Chen Yong recording] The institute is affiliated with the Nuclear Industrial Corporation under the Chinese Academy of Sciences. Its great achievements over the past four decades include developing China's first

atomic bomb, and a nuclear submarine. However, the central government decided in the early 1980's to encourage military-oriented institutes to turn their technologies to civil use. Since then the atomic energy institute has made great contributions in developing products for civil use, according to the head of the institute, (Sun Zuxun).

[Sun Zuxun in Mandarin fading into English translation by Chen Yong] Sun Zuxun said his institute has technological advantages as a military-oriented institute. They have now turned these advantages to civil use. Of their many projects, currently the most important is the research on radioactive isotopes, as it can be applied in the fields of medicine, hygiene, and agriculture. Sun Zuxun is proud that the output of radio isotopes at his institute amounts to half of the total national output. Some 1,500 hospitals are using their products. Notably, the institute also developed a neutral rod for the reactor of the Qinshan Nuclear Power Station in east China's Zhejiang Province.

The institute has trained specialists in nuclear energy production and management, and established four companies for the sales of its civil products. The endeavor has produced good results. In 1985, the institute made only 10 million yuan for its civil projects; last year it made 93 million yuan, or about \$11 million. The institute cooperates actively with foreign ventures. Successful projects include a mini-reactor and a neutron defraction spectrometer. Officials of the institute also undertook China's first export of nuclear technology. Last year the institute was among the first batch of Chinese scientific research bodies to get foreign trade autonomy. The institute has played an important role in developing products for civil use, but it remains a high-level research body. In this situation, it is very important the institute carefully balances its two roles.

Sun Zuxun explains: On the one hand, they need to continue their hi-tech research projects, so as to be competitive in nuclear technology at an international level. On the other hand, they want to make use of their advanced technologies to serve the national economy. [end recording]

Airborne Digital Imaging Processor Developed

OW2808203694 Beijing XINHUA Domestic Service in Chinese 0934 GMT 27 Aug 94

[By reporter Qin Chun (4440 2504)]

[Text] Beijing, 27 Aug (XINHUA)—Good news came from China's research in its synthetic aperture radar [SAR] imaging system: an airborne SAR real-time digital imaging processor was developed and recently passed the appraisal of experts. It not only filled in a gap in the field of high technology in China, but enabled the country's research in synthetic aperture technology to reach the advanced international level of the nineties.

As a remote sensing instrument, SAR has some strong points unparalleled by other remote sensing instruments. Its applications to battlefield reconnaissance, earth resources probing, disaster monitoring, and other fields are increasingly extensive. However, SAR's capability of obtaining high resolution images was made possible through the exchange of a complicated signal processing method. For a very long time during the development of SAR technology, the processing of SAR signals continued to use the optical method of forming an image in two steps due to technological restrictions. It is very hard for such a method to meet the needs of application in such fields as disaster monitoring, which require a prompt response, because it lacks real-time imaging capability.

The Chinese Academy of Sciences Institute of Electronics [IE] is the earliest of China's institutes to start research in an airborne SAR system. It began the "airborne SAR real-time digital imaging processor development" project in November 1990 against a backdrop of China's attempt to catch up with the advanced international level after it had made important progress in developing airborne SAR technology, including the processing of digital signals.

In April 1994, the IE took advantage of the opportunity provided by a remote-control aircraft equipped with an IE-developed airborne SAR system participating in a synchronous flight with the U.S. "Endeavor" space shuttle to achieve real-time processing of airborne SAR signals. It obtained China's first batch of real-time digital images produced by an airborne SAR, real-time display in [aircraft] cabinet, and real-time recording, thereby enabling the China-developed airborne SAR system to take a big stride forward toward a level that is more advanced and more practical.

Computer Technology Increases Factory Production

OW2808073994 Beijing XINHUA in English 0727 GMT 28 Aug 94

[Text] Shenyang, August 28 (XINHUA)—Productivity has been increased by about 50 percent in Shenyang air-blower, in north China's Liaoning Province, following the application of CIMS (computer integrated manufacturing system).

In the factory located in Shenyang, capital of Liaoning, the production cycle has been shortened to 10 to 12 months from 18 months, among the shortest worldwide, and the days of technical preparation, product design and price quoting have been reduced by at least 50 percent.

Shenyang air-blower is one of the 10 factories singled out for the application of CIMS, a project under China's high-tech development blueprint.

In November 1989, the State Council approved a CIMS strategic plan. More than 2,000 scientific personnel

worked on CIMS research and a research center for experimental engineering was set up while seven laboratories for unit technologies are being founded and strengthened.

CIMS is a high technology concerned with the whole production process in the machinery manufacturing industry.

The strategy includes building computer sub-systems on the basis of production, planning, marketing and management, directing production according to orders, so as to lower production costs, reducing stockpiles and offering products in as short a time as possible.

Experts say that in the next two years, the application of CIMS will be extended to 40 other enterprises, and by the year 2,000, about 100 enterprises will be partly or comprehensively integrated through CIMS, which will help them reap more economic returns.

Military

Army Paper Reports First PLA Joint Maneuvers

OW2608141294 Tokyo KYODO in English 1354 GMT 26 Aug 94

[Text] Beijing, Aug. 26 KYODO—China's ground, air and naval forces have been holding a first series of large-scale joint military exercises since early this year in a bid to adjust to modern warfare, the official LIBERATION ARMY DAILY [JIEFANGJUN BAO] reported Friday.

The paper, official paper of the People's Liberation Army (PLA), said the live ammunition maneuvers involving the participation of tanks, fighter aircraft and warships lasted until Aug. 23. It did not reveal the location of the exercises.

The joint war games were necessary to improve communication among the different forces while operating in the same area and to boost reconnaissance capability, the paper said. It said joint exercises of the PLA Army, Navy and Air Force are indispensable to modernize Chinese war strategy and will be conducted on a regular basis in the future.

A Taiwanese daily reported the same day that PLA forces stationed in the Nanjing Military Region are preparing for military exercises around Dongshan, an island off southern Fujian Province.

The Chinese-language CHINA TIMES said it is the first time this year that the PLA has conducted war games just across the Taiwan Straits less than 300 kilometers away, although three maneuvers have been held in Fujian over the last two months alone. With its military activity in the south, China means to sound a warning to Taiwanese authorities not to continue their course toward independence, the paper said.

Taiwanese President Li Teng-hui has stepped up a political campaign to gain a higher political profile for Taiwan and has recently angered Beijing with statements which Beijing says are a de facto renunciation of the "one-China policy."

Army Holds Ideological, Political Work Forum

OW2808203494 Beijing XINHUA Domestic Service in Chinese 0535 GMT 27 Aug 94

[By JIEFANGJUN BAO reporter Zhang Haiping (1728 3189 1627) and XINHUA reporter Yang Mingqing (2799 3046 7230)]

[Text] Shenyang, 27 Aug (XINHUA)—An all-army enterprises' ideological and political work forum being held in Shenyang raised the issue that if army enterprises want to establish themselves in an unassailable position under the conditions of a market economy, they must cultivate "well-educated and well-disciplined" staff and workers "imbued with lofty ideals and moral values" and train high-quality personnel.

The army's 25 advanced enterprises and 28 excellent workers who had distinguished themselves in ideological and political work were commended at the meeting. An important inspiration to be drawn from the experiences gained by these institutions and individuals in closely integrating production and business operation tasks with the realities of staff and worker thinking, actively exploring ways and methods for ideological and political work, and conducting highly effective ideological and political work under the new situation is that bringing into full play the fine traditions of army enterprises as well as their strong point in ideological and political work has become an organic part of enterprises' operation and development, a powerful driving force, and an important guarantee for fulfilling production and business operation tasks and improving economic returns under the new situation of a market economy that is enjoying vigorous development.

Reporters have realized that conducting widespread and deep-reaching propaganda of Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics to promote the emancipation of the mind and change the concepts of the broad masses of staff and workers is a major characteristic of army enterprises' ideological and political work. Following the publication of Volume 3 of the *Selected Works of Deng Xiaoping*, all enterprises have conscientiously paid attention to organizing its study by party committee's central groups [dang wei zhong xin zu 8093 1201 0022 1800 4809] and the broad masses of staff and workers through a series of lectures, study classes, broadcasts, and knowledge competition to enable the theory on building socialism with Chinese characteristics to strike root in the hearts of the people among army enterprises.

At the forum, Zhou Keyu, General Logistics Department Political commissar, stressed: Today, army enterprises

confront many new situations in the readjustment of reform and transformation of their operating mechanisms. Therefore, they are required to arm their staff and workers with the theory of building socialism with Chinese characteristics when conducting ideological and political work, to work out details for cultivating a new generation of "well-educated and well-disciplined people imbued with lofty ideals and moral values" and implement them, and to apply the army's fine traditions to its enterprises' development endeavors.

Army Paper on Teaching Political Theory

HK2908064894 Beijing JIEFANGJUN BAO in Chinese 22 AUG 94 p 1

[Roundup by staff reporters Zhang Chi (1728 1716) and Jiang Ning (1203 1337): "Let Scientific Theory Strike Root in Military Academies—Roundup on Reform of Political Theoretical Teaching in Military Institutes and Academies"]

[Text] Reform of teaching in all military institutes and academies guided by Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics—as a project of ideological theoretical building straddling the next century—is effectively pushing the comprehensive building of military institutes and academies; consequently, a vigorous situation characterized by the emergence of first-rate results and qualified people has taken shape and become an important aspect in the progress of the Chinese Army's modernization.

To arm the whole Army with Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics is a long-term strategic task. The Central Military Commission and the General Staff Headquarters have attached great importance to giving play to the role of military institutes and academies in the study and research of Deng Xiaoping's theory. Since the beginning of this year, Central Military Commission chairman Jiang Zemin and vice chairmen Liu Huaqing and Zhang Zhen have, on two occasions, participated in discussions with senior cadres and cadets from the People's Liberation Army [PLA] National Defense University, setting out explicit requirements for military institutes and academies as well as all troops in studying Deng Xiaoping's scientific theory. With the approval of the Central Committee, the All-Army Research Center For the Theory on Building Socialism With Chinese Characteristics has become one of the five national research centers. Entrusted by the Central Military Commission, the PLA National Defense University has run two study classes this year on Volume 3 of the *Selected Works of Deng Xiaoping*; here, 154 senior cadres at and above army level have been trained in rotation. A propaganda and theoretical teaching backbone has also been trained at the PLA National Defense University. A large number of political theoretical teachers have left the campus to go down to army units to help officers and men study the scientific theory.

An outstanding characteristic of in-depth reform of political theoretic teaching in military institutes and academies throughout the Army is to comply with the changes in the new historical conditions; to promptly renovate, complete, and perfect the teaching contents; and to give prominence to the theme essence—the theory on building socialism with Chinese characteristics—in the curriculum and teaching system. In April this year, the PLA General Staff Headquarters and General Political Department jointly issued a circular, “On Several Issues Concerning Augmenting and Improving Political Theoretical Teaching” and made new arrangements for implementing the strategic task of arming students with the scientific theory. Through arduous exploration, various military institutes and academies have edited a number of new teaching materials, under the unified arrangements of the General Staff Headquarters, and basically completed the establishment of the curriculum as well as the teaching system; consequently, scientific theory has become a compulsory course for cadets in military institutes and academies. The three major classroom experiences of the Naval Logistics Institute in political theoretical teaching, and the experience of the No. 4 Army Medical College in nurturing qualified people who are characterized by all-round development of morals, intelligence, and physique, being both socialist-minded and professionally competent, have been jointly relayed by the Central Propaganda Department, the State Educational Commission, and the PLA General Political Department to popularize them. The Military Institute of Economics has revised and formulated some 80 teaching programs, revised and edited some 70 sets of new teaching materials based on the important reform measures presented by the state; the State Educational Commission and the PLA General Staff Headquarters examined the teaching reform in the institute and fully affirmed the experiences.

While strengthening teaching of the scientific theory, all military institutes and academies have fully given play to the advantages of concentrated personnel and have acquired a number of high-quality results in research on the scientific theory, exerting unremitting efforts in guiding the whole Army in making progress in their study in depth. According to incomplete statistics, since 1987, some 140 results in military institutes and academies have been awarded prizes for scientific research at the national and army levels. Senior researcher Yang Shaojun [2799 1421 0193] of the PLA Logistics Institute for Commanding Art led the topics group in doing research on propagating the scientific theory through computers, by linking Deng Xiaoping’s scientific theory to modern science and technological means for the first time and achieving important pioneering scientific research results. Professor Zhu Songshan [2621 2646 1472] of the 2d Artillery Corps Engineering Institute has worked hard in the area where humanities and natural sciences cross, succeeding in finding a new method for the organic combination of scientific theory with specialized courses through exploration, thus augmenting the

effects of educating people in the scientific theory. Their practice has demonstrated that under the new situation, to apply more to theoretical research results is an important link in pushing reform in political theoretical teaching.

Being close to cadets’ ideological realities to lay a solid ideological foundation for bringing up qualified people with fine military and political qualities is another marked characteristic of military institutes and academies in augmenting teaching of the scientific theory. In recent years, various military institutes and academies have strengthened and improved political theoretical teaching aiming at deep-seated problems reflected in cadets’ political faith, outlook on life, and value concepts. They did not evade difficult problems which cadets had raised but answered problems surfacing in reality with the scientific theory. At the same time, various military institutes and academies actively organized cadets to go to factories, rural areas, markets, and the sacred places of the revolution to carry out surveys and study, to deepen their understanding in the scientific theory through practice in reform and opening. Currently, various institutes and academies have established a number of relatively solid bases for social practice; a sound study style characterized by linking theory to practice has already taken shape, which has exerted positive effects on helping cadets master the scientific way of thinking and establishing the idea of devoting themselves to national defense. Proceeding from the characteristics of specialized technological institutes and academies, the PLA Institute of Survey and Mapping succeeded in finding a way of combining scientific theory with professional teaching, which enables cadets to establish correct professional ideas while acquiring professional knowledge. A number of advanced models have surfaced from army institutes and academies, including Zhou Liping, Yalirangzu, Yang Qiang, and Feng Min. In recent years, the overwhelming majority of graduates from military institutes and academies have consciously subordinated to work distribution by the organization. The “three-destinations, one long-range” experience created by the Air Force Institute of Radar has been popularized in all institutes and academies of the whole army. Go to border defense, the grass roots, and places where conditions are the most arduous to render meritorious service has become the main theme in work distribution of graduates from military institutes and academies.

An inspiring fact is that in the upsurge of studying the scientific theory, military institutes and academies of the whole army attach importance to resolving new conditions and problems surfacing in their work and reform with guidance from the scientific theory. Boldly, they have been experimenting, blazing new trails, and exploring new ways to build first-rate institutes and academies. Guided by the Central Military Commission’s strategic principle for the new period, various institutes and academies have pushed forward military, cultural, and professional teaching reform in an overall

way with the teaching quality being steadily improved. The First Military Medical College initiated a new pattern for running the school, characterized by combining teaching, scientific research, and production, and changed the situation whereby institutes of tertiary education have suffered from an insufficiency of funds over a long period; consequently, the medical college has been awarded national and all-army prizes for remarkable results in teaching reform. Their experience has roused the universal attention of the State Educational Commission and various institutes of tertiary education in the localities. Through arduous exploration under the guidance of scientific theory, army military institutes and academies are advancing along an increasingly wider road of running schools with PLA characteristics.

Economic & Agricultural

Li Peng Stresses Importance of Urban Water Supply

OW2808135494 Beijing XINHUA in English 1319 GMT 28 Aug 94

[Text] Beijing, August 28 (XINHUA)—Chinese Premier Li Peng today stressed the importance of ensuring water supply in large- and medium-sized cities.

During his inspection over the Miyun Reservoir in the northeastern suburbs of Beijing, Li called for effective and feasible steps to solve the problem of water supply shortage since it will be a long-term one for big cities like Beijing.

Built in 1960, the Miyun Reservoir has a storage capacity of 4.375 billion cubic meters with a controlled area of 15,800 sq km on its upper reaches.

This year, it received more rainfalls than the previous years with a maximum storage of 3.33 cubic meters and a water level of 153.8 meters.

Li told the Municipal Party Committee Secretary Chen Xitong and Mayor Li Qiyang, who accompanied him, that Beijing is one of the cities that are short of water supply, and the city's development, the growing population and the increase of the average water consumption per capita have aggravated the tension of water supply.

As many Chinese cities, including some coastal ones, are facing the water shortage problem, government leaders at all levels should pay special attention to the issue and great efforts should be made to guarantee the urban water supply, Li said.

The premier said that Beijing has taken a series of measures to solve the problem of water shortage and should continue to do so in the future.

Li also praised the important role the reservoir has played in flood-control, water supply and electricity generation in the past years since its building.

Li noted that efforts should be made to strengthen the management of the reservoir and to prevent the water sources from pollution. Attention should also be paid to the safety of the reservoir dams while keeping a high water level, Li said.

Zhu Rongji on Control of Fertilizer Prices

HK2908074294 Beijing XINHUA Domestic Service in Chinese 0827 GMT 21 Aug 94

[Report by reporters Sun Benlong (1327 2609 7893) and Li Dingan (2621 1353 1344): "State Council Holds Meeting To Carry Out Measures for Reforming the Circulation System for Chemical Fertilizer and Other Means of Agricultural Production"]

[Text] Beijing, 21 Aug (XINHUA)—The National Conference on Work in Reforming the Circulation System of the Means of Agricultural Production, organized by the State Council, was held on 18 and 19 August in Beijing. Vice Premier Zhu Rongji pointed out at the conference: Reforming the circulation system for fertilizers and the other means of agricultural production, is an important duty in establishing the circulation system of the socialist market economy, strengthening macroeconomic regulation and control, and rectifying the circulation order.

Zhu Rongji said that since last year, the CPC Central Committee and the State Council have formulated a series of measures and policies to support agricultural development, strengthened the basic status of agriculture, and aroused the enthusiasm of peasants for the development of agricultural production. At present, the duty of purchasing summer grain has been basically completed and peasants have been eager to sell their grain. The early season rice was hit by floods but the purchase was 3.5 billion kg more than the same period of last year; autumn grain and cotton are growing well and the rural economy maintains a gratifying development trend. But the acute problem is that the current circulation channel for the means of agricultural production is chaotic, there are too many operational links, and prices increase too rapidly, directly harming the interests of the state and peasants and affecting peasants' enthusiasm for production. It is not only a necessary but an urgent task to reform the circulation system for fertilizers and other means of agricultural production. The goal of the reform of the circulation system for fertilizer is to strengthen macroregulation and control and market management, properly organize a balance of total quantity, cut the number of circulation links, rectify circulation order, and reduce circulation feed, to lower and stabilize the prices of chemical fertilizer in the market.

Zhu Rongji demanded that the relevant departments and the governments of various levels take immediate action, consider the overall situation, coordinate efforts closely, and seriously implement the measures which have been formulated by the State Council. At present, fertilizer factories are producing at full capacity, large quantities of imported fertilizers have arrived, and the stock is

abundant, therefore the farm materials companies in various localities must not hesitate to sell the fertilizer in state warehouses with clear price tags, so that the prices in the fertilizer market can be brought down in a limited period of time, supply of fertilizer is ensured for the current peak season of agricultural production, and a contribution can be made to securing a bumper harvest this year and preparing for the farming next year.

Zhu Rongji pointed out that no economically developed countries adopt a laissez-faire attitude toward the market or completely lift control over prices. The government efforts to sort out and improve the market and to exercise supervision over prices, should not be viewed as "restoring the planned economy." Practice proves that when the circulation order is chaotic, it can only break the back of the consumers, lets those who raise prices reap undue profits, and it brings no actual benefits to peasants.

Zhu Rongji suggested that leading party and government cadres at various levels seriously learn from Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics, the 14th party congress report, the resolution adopted at the Third Plenary Session of the 14th CPC Central Committee, and the circulation theory in the selected works of Deng Xiaoping on socialist market economy; and that they unify understanding and action and wholeheartedly promote the reform of circulation system in socialist market economy.

The National Conference on Work in Reforming the Circulation System of the Means of Agricultural Production, was another important meeting held by the State Council this year after the reforms of grain purchasing and marketing system and the finished oil circulation system. In order to implement various measures for reforming the circulation system of the means of agricultural production, the conference raised the following requirements:

- A balance between the total supply and total demand of the means of agricultural production is the foundation for reforming the current circulation system and maintaining basically stable prices. The relevant departments must seriously do a good job in organizing a balance between total supply and total demand, ensuring adequate and timely supply of the correct varieties. Regarding chemical fertilizer and similar materials, the central and local authorities must carry out regulation and control at two levels and maintain stock at two levels. According to the stipulation that chemical fertilizer must be produced all year round but used only in certain seasons, a system of keeping chemical fertilizer during the off season should be established, to keep stock when it is the off season and sell stock when it is the peak season, and to stabilize the market.
- Cut circulation links and reduce circulation fees. The allocation of chemical fertilizer by the central authorities changes from the current four levels of wholesale

and one level of retail to two levels of wholesale and one level of retail; the allocation of chemical fertilizer by the provincial authorities changes from the current three levels of wholesale and one level of retail to one level of wholesale and one level of retail; county-level farming materials companies and grass-roots supply and marketing cooperatives handle both wholesale and retail and promote a sales agents system. The products of small fertilizer factories should be sold in the places where they are produced. Establish a sound collective service system for means of agricultural production—a system which combines agriculture, industry, and commerce.

- Rectify the circulation channel, strengthen market management. The companies producing the means of agricultural production at various levels are the main channel of circulation of chemical fertilizer. The plant protection stations, fertilizer stations, agricultural technique promotion (centers) stations, and below county level, as well as the sales agents, and the enterprises themselves, are the supplementary channel. Other units and individuals are not allowed to operate chemical fertilizer. The quality chemical fertilizer allocated by the central authorities to the provinces and controlled by the provinces, should all be handed over to the means of agricultural production companies for operation. The sale of chemical fertilizer by large chemical fertilizer enterprises themselves must be controlled within 10 percent of the sales volume and the quantity of sales by medium chemical fertilizer enterprises themselves is to be determined by the provincial governments. The price of the chemical fertilizer to be sold by the enterprises themselves must be lower than the retail price of the chemical fertilizer of the same quality in the locality and must be approved by the price department at provincial level. The quality chemical fertilizer to be sold by the large and medium chemical fertilizer enterprises themselves, must be sold to the units and productive enterprises which have the right to operate chemical fertilizer. Supply and marketing cooperatives must not change to individual operation in the process of promotion of the sales agents system.
- Strengthen management of the prices of the means of agricultural production. The state will practice management of prices of chemical fertilizer at different levels, unify the rate of fees, and exercise strict supervision. The producer prices of urea and ammonium nitrate produced by large chemical fertilizer enterprises will be decided by the State Planning Commission. The method of pricing for the urea and ammonium nitrate produced by other enterprises will be decided by the price departments at provincial level. The retail prices of chemical fertilizers will be subject to differential rate control under unified operation. The same retail price will be enforced in the same place (province, prefecture, or city). Various operation units must sell according to the unified retail price,

have clear price tags for the public to see, and no unit is allowed to add fees other than this price.

The conference demanded that various localities and relevant departments strengthen supervision and inspection and ensure a smooth implementation of the reform. It demanded that the price departments of various levels, as well as the departments of industrial and commercial administration at various levels, strengthen supervision and inspection of the situation of enforcement of policy in various links of the circulation of the means of agricultural production, investigate according to law into activities which violate law and discipline, and correct such activities.

Li Ruihuan on Economic Development in Minority Areas

OW2808175494 Beijing XINHUA in English 1656
GMT 28 Aug 94

[Text] Urumqi, August 28 (XINHUA)—Li Ruihuan, member of the Standing Committee of the Chinese Communist Party's Politburo, stressed the importance of economic development and improvement of people's living standards in areas inhabited by ethnic minorities during a of Xinjiang Uygur Autonomous Region on August 21-29 [sentence as received].

During the week-long inspection tour, Li, also chairman of the national committee of the Chinese People's Political Consultative Conference, visited factories, farms, border trade outlets and oilfields in the region and held discussions with local officials.

Li said that a series of problems will arise if economy remains undeveloped and people's living conditions unchanged for a long period of time, adding that leaders at all levels must always make economic development and improvement of living standards the priority of their work.

He pointed out that the shortage of water and communication facilities are major factors hindering the region's economic development. He called on local officials to step up water conservancy construction and take effective measures to make shipment of goods easier for the southern part of the region.

In the process of boosting the local economy, leaders at all levels must try to solve practical problems affecting the people's living, Li said.

For instance, he said, the lack of drinking water in the southern part of the region must be tackled.

During his inspection, Li also stressed the importance of unity among different ethnic groups, saying that a relationship featuring unity among all nationalities and a stable and harmonious social situation is the prerequisite and guarantee of economic development and improvement of living standards.

Any attempt aimed at splitting the motherland and sabotaging national unity and social stability will be resolutely opposed, Li said.

Wen Jiabao on Importing, Foreign Agro-Techniques

OW2808204894 Beijing XINHUA Domestic Service in Chinese 1157 GMT 26 Aug 94

[By RENMIN RIBAO reporters Li Zhongchun (2621 0112 2504) and Zheng Xing (6774 5281) and XINHUA reporter Tang Hong (0781 5725)]

[Text] Beijing, 26 Aug (XINHUA)—In an address to a national conference on dissemination of imported foreign agricultural intellectual resources that closed today, Wen Jiabao, alternate member of the CPC Central Committee Political Bureau and member of the Secretariat, pointed out: Introduction of foreign agricultural intellectual resources has served as a bridge for China's 900 million peasants to understand world agricultural development and the need for Chinese agriculture to use the world's advanced agricultural science and technology. It has become an important part of the development of China's science and technology. Today, we must step up this work in line with the real needs of rural development to speed up agricultural modernization.

Wen Jiabao said: The fundamental way to expand the farming sector lies in applying science and technology. To speed up the growth of China's rural scientific and technological undertakings, it is necessary to learn and apply foreign scientific and technological findings and make the introduction of foreign intellectual resources a success. In recent years, Chinese agricultural departments, departments charged with importing technology from abroad, local governments, colleges, research institutes, and nongovernmental organizations have—through official, semiofficial, and nongovernment channels and on the basis of friendship, equality, and mutual benefits—invited foreign experts to come to China to provide technical guidance and undertake joint research and development projects. As a result, a number of research and development institutes and cooperation projects have been set up. Moreover, China has imported fine crop strains, advanced crop-growing and livestock-breeding techniques, and pest and disease prevention techniques. We have made major breakthroughs in some major sectors of agriculture. Experience gained from many of the projects has been disseminated nationwide, producing good economic and social benefits. Meanwhile, some 10,000 agricultural technicians and managerial staff have been sent abroad for training or advanced study and to learn advanced crop-growing and livestock-breeding techniques and management knowledge. All these efforts have gone a long way toward helping China assimilate and disseminate foreign technologies.

Wen Jiabao pointed out: Over the next few years, the introduction of foreign intellectual resources should

serve to help fulfill major tasks and policies in the development of China's farming sector and help step up rural reform. In line with the needs of developing a highly efficient agriculture that employs high technology and yields high foreign exchange earnings, we should continue importing advanced crop-growing techniques, fine crop strains, pest and disease prevention techniques, and farm and sideline product processing techniques. We must draw on foreign experience in modernizing rural areas and agricultural management to accelerate the construction of modern agricultural pilot centers, grain production centers, comprehensive agricultural development, and other major agricultural projects. Through the introduction of foreign intellectual resources, we should be able to develop more new products, broaden our market, improve the product quality and economic returns, and help village and township enterprises to expand high-tech industries and exports. To make a success of this work, departments charged with importing intellectual resources should coordinate with agricultural production and science and technology departments in hiring foreign experts or sending personnel for study abroad in a well-planned and well-organized way. We should introduce intellectual resources from abroad through various channels while respecting intellectual property rights. The introduction should be combined with the import of foreign funds and technical equipment and more efforts should be devoted to assessing progress and disseminating imported techniques. The introduction of foreign intellectual resources must meet the specific needs of China's rural expansion, must be in line with the specific conditions in various localities, and must produce real benefits. We must do a good job in selecting projects, conducting experiments, setting examples, and popularizing experience so that maximum economic benefits will be reaped. Party committees and governments at all levels must exercise effective leadership over this work. They should place the introduction of foreign intellectual resources high on their agenda; help solve real difficulties; and provide the needed support in terms of intellectual, financial, and material resources to ensure smooth progress of this work.

The four-day national conference on dissemination of imported foreign agricultural intellectual resources was jointly sponsored by the State Bureau of Foreign Experts Affairs and the Ministry of Agriculture. During the conference, over 100 representatives from 28 provinces, autonomous regions, and municipalities directly under the central government had wide-ranging exchanges and discussions.

Construction Official Stresses Real Estate Management

OW2708045694 Beijing XINHUA Domestic Service in Chinese 0630 GMT 26 Aug 94

[By reporter Cong Yaping (0654 0068 1627)]

[Text] Beijing, 26 Aug (XINHUA)—During a recent meeting, Construction Vice Minister Li Zhendong said

emphatically: We should strengthen real estate management, define property rights, and regulate activities pertaining to housing reform and home sales.

Li Zhendong noted: To reform the housing system is to subject houses to market forces so that the previous administrative method of freely allocating houses in return for low rents as a form of welfare will be changed into a new system of exchanges in monetary terms based on the market economy. All localities should make public and standardize various procedures for home purchases by workers and staff members. They should standardize trading procedures and follow the "Law on Real Estate Management in the Cities" and relevant State Council provisions.

On how to regulate activities related to housing reform and property trading, Li Zhendong said: At present, we should mainly tackle the following key tasks:

First, we should further strengthen property rights administration. The real estate law states: "The real estate departments of people's governments at or above the county level shall verify home ownership and issue home ownership certificates." Home owners must register their property rights with real estate departments and obtain property rights certificates. Owners of property rights will have their legitimate rights and interests guaranteed by state law only if they proceed in this manner. A salient problem at the moment is the issuance of property rights certificates by many departments in some localities. The abnormal practice of "having certificates issued by many departments" has seriously affected the normal order of property rights administration and hurt the legitimate rights and interests of property rights owners. This issue has long been addressed by the State Council and the Construction Ministry—a department in charge of real estate matters—through the enactment of clear provisions. The practice by which departments not in charge of real estate matters issue real estate-related property rights certificates must be remedied because it violates the real estate law and relevant State Council provisions. According to legal provisions, real estate departments in all localities should mandate the replacement of various illegal property rights certificates within a prescribed period. They should also undertake publicity efforts to make people more aware of property rights and help them protect their legitimate rights and interests.

Additionally, we should strengthen the assessment of real estate prices during the course of housing reform and home sales, and prevent the loss of profits and tax revenues which the state derives from real estate deals. As departments responsible for assessing real estate prices, real estate departments at all levels should do a good job of assessing prices during the course of housing reform and home sales in accordance with the law and relevant housing reform policies. Because housing reform and home sales can affect the state's profits and tax revenues, we cannot willfully allow assessment agencies in society to evaluate prices. Instead, we should let

government-designated real estate assessment agencies undertake the task. Real estate departments in all localities must earnestly strengthen the management of intermediary agencies that assess real estate prices in accordance with the Construction Ministry's "Interim Measures on the Management of Price Assessment in Urban Real Estate Markets," and ably perform the task of assessing home sales prices.

Li Zhendong also emphasized: We should intensify our efforts to oversee and inspect real estate markets. Real estate departments in all localities should work closely with relevant local departments in resolutely investigating, dealing with, and cracking down hard on activities aimed at seeking staggering profits through speculation in public housing so as to maintain normal order in real estate markets.

RENMIN RIBAO on Economic Macro-Control

OW2608100294 Beijing XINHUA in English 0822
GMT 26 Aug 94

[Text] Beijing, August 26 (XINHUA)—China's financial and market order has taken a favorable turn this year thanks to efforts over the past year to tighten and improve the country's economic macro-control, according to an official report carried in today's PEOPLE'S DAILY.

The report released by the State Statistical Bureau states that restructuring and fast-growth in the economy have been guaranteed by smooth and stable financial operation and effective control over the total volume of credit granted.

In the first six months this year, new bank deposits raised volume to 514 billion yuan, a hefty 296.5 billion yuan rise from the same period last year. And the deposits of enterprises picked up sharply.

The report says that the total newly-added loans of various kinds offered in the first half of this year reached 234.1 billion yuan, an increase of 91.8 billion yuan.

As a result, the construction of major projects and the purchase of summer farm products have been conducted smoothly and the enterprises' shortages of funds have been eased. The speculative trading of real estate, stock and other construction materials has greatly been reduced since July 1993.

According to the official report, the revenue and expenditure of foreign exchange have been kept in balance with a marked surplus this year due to tightened macro-control.

The exchange rate of U.S. dollars against renminbi at the swap market dropped sharply to 1:8.8 at the end of 1993 from 1:11 at the beginning of the year, says the report.

The country's exports in the first half this year jumped to 48.4 billion U.S. dollars, a 30.2 percent rise from the

same period last year, while imports reached 49.2 billion U.S. dollars, increasing by 21 percent.

The report says that China's foreign exchange reserves have increased by 10.57 billion U.S. dollars from January to June this year.

According to the bureau, the growth of fiscal revenue has also stepped up. In the first half this year, domestic fiscal revenue, excluding repayment of debts, reached 197.9 billion yuan, an increase of 22.6 percent from the same period of 1993. The increase in industrial and commercial revenue was 26.7 percent.

But the report warns that people should not be too optimistic if the situation of the whole fiscal year is taken into account, because the fast revenue growth of the first half of this year includes part of the refund retroactive to the past taxable years and the growth rate of the revenue of the last four months in 1993, which was equal to two-thirds of the whole year's revenue and was high as the base, is likely to affect the remaining months' growth rate this year when they. [apparently unfinished sentence as received]

Moreover, the expenditures in the first half this year, including salary increases for the government employees, rose by 27 percent, 4.4 percentage points higher than the revenue growth rate in the same period.

The report also says that the market orders are taking a good turn this year. The supply of production means has met the demand of markets and the prices are going down.

Retail sales of consumer goods reached 718.8 billion yuan in the first six months this year, with an increase of 4.8 percent over the same period of last year, according to the report.

In 1994, the overheating of the real estate industry and development zone construction has basically been brought under control. Efforts have been redoubled to stop speculative activities in these fields.

According to the reports from provinces and autonomous regions throughout the country, including Jiangsu, Zhejiang, Shandong, Fujian, Guangdong, Guangxi, Liaoning and Hebei, the number of development zones has been reduced to over 200 from the original more than 1,200, the total planned area for these zones dropping to 1,600 square km from 7,500 square km.

The growth rate of investment in real estate also dropped this year. The total investment in the first six months was 46.4 billion yuan, with an increase of 43.9 percent, much lower than 143.5 percent in the same period last year.

The official report also says that the fast growth of investment in fixed assets has been held back and the hyper-inflated growth rate of industrial production has smoothly been turned downward.

In the first half, China had a total of 18,071 newly-started capital construction and renovation projects across the country, 4,090 fewer than in the same period last year, the report says.

According to the report, China's total social supply in the first half this year is estimated to be 1964.8 billion yuan and the demand 1789.3 billion yuan, with a positive ratio of 8.9 percent, 3.5 percentage points higher than last year.

The report says that there are many reasons for the price hike this year. Among them is the cost rise.

In 1990-1992, the cost of industrial products rose by four percent to 7.8 percent while prices went up by three percent to 6.4 percent.

But in 1993, costs rose by 28.2 percent whereas prices went up by only 14.7 percent. The cost rise effects have extended to this year, plus other factors that caused a cost rise. All rises in expenses were passed on to consumers.

Other reasons for the overall price hike are the influences of price rise for daily necessities such as grain and cotton and the price rise last year which caused a 5.5 percentage point rise in this year's retail prices.

The report says that since China has been in a transitional stage between the old centrally planned and the new market economic systems, the financial macro-control capability of the central government is limited and the state-owned enterprises are lacking in vitality and an effective risk liability mechanism.

The state-owned enterprises have long been in dire straits in changing their operation mechanism due to a lack of coordinated reform measures. With the slow-down of production, they will face more difficulties and their aggregate arrears will also increase.

In addition, although the expansion of the investment in fixed assets has been checked, there has been little change in the investment system, and the "craving for investment" in the field may occur at any time due to the large scale of the projects under construction.

The report predicts that although economic operations in China have taken a favorable turn this year, prices will remain high in the coming months. The present commodity price increase rate of over 20 percent is beyond some residents' endurance capacity.

The report also warns that because of an uneven economic development in the urban and rural areas, disparities between the two are still acute, which is unfavorable to the country's social stability.

RENMIN RIBAO on Growth, Curbing Inflation

*HK2708015894 Beijing RENMIN RIBAO in Chinese
19 Aug 94 p 5*

["Extensive Talks on Hot Spots of Reform" column by Zhang Junkuo (1728 6511 2368): "Curbing Inflation and Preventing a Sluggish Market"]

[Text] This year, our national economy has continued to grow rapidly, various routine targets have gradually developed in line with the requirements of macroeconomic regulation, and the main trend of economic operation has been sound. At present, excessive price raises are still the outstanding economic problem and curbing inflation is still an arduous task. Meanwhile, the problem of insufficient market demand has been gradually exposed in some spheres and this needs much attention.

I. The Cause and Trend of Price Raises

In the first half of this year, resident consumption prices rose by 22 percent over the same period last year, whereas commodity retail prices rose by 19.8 percent. Although the upward price trend has become less severe since March, price raises are still excessive.

The key to analyzing the current situation lies in properly understanding the cause of the drastic price raises and making a correct judgment on the future price trend. The first inducement to the current round of price raises is the rapid growth of demand for investment since the latter half of the year before last. This year, rapid industrial growth is still being seen and the real growth in investment is still high. Hence, the current price raises are undoubtedly, to a certain extent, determined by the demand-pull factor but, according to an analysis of various aspects in economic operations, we hold that drastic price raises this year are no longer largely driven by demand but result from higher costs, price adjustments, and the comprehensive effect of other factors.

Due to the rapid growth in fixed-assets investment and in industrial production in the past two years, there has been a drastic increase in the prices of the means of production thus exerting, from a cost angle, very great pressure on the prices of consumer goods. Likewise, the taxation and foreign exchange reforms implemented this year are also, from a cost angle, factors leading to price raises. On the one hand, price adjustment and deregulation, particularly price adjustments of service items and commodities with wide impact such as grain and crude oil, has brought formerly latent inflation into the open and, on the other hand, the process of price relations adjustment, which is always on the rise without a fall, will definitely bring about an uptrend in the general price level. Price control has been loosened amid price deregulation, the price order is chaotic, and the phenomena of driving up prices indiscriminately and jumping on the bandwagon in price raises have been frequently seen. As far as this year's price raises are concerned, since prices rose less dramatically early last year (8.4 percent) than late last year (17.6 percent), the "year-end jump" effect is undoubtedly a very significant factor.

According to a certain point of view, a drastic increase in the general price level is, in the final analysis, a monetary phenomenon and the outcome of greater monetary growth rather than economic growth. Indeed, without the backup of the growth of money supply, the general

price level will, in any case, find it difficult to rise dramatically. However, the key to the problem lies in how to properly understand the roots of greater monetary growth as opposed to economic growth. Viewed from the real process of economic operation and macroeconomic regulation since the fourth quarter of last year, the overgrowth in money supply did not result from active expansion of monetary or fiscal policies but was brought about by enterprises.

It is estimated that the pressure of driving up prices will diminish in the latter half of this year and the main reasons are as follows: 1) The pressure of cost-push price raises will be lower than in the first half of this year and the "year-end jump" factor will fade away. 2) With the implementation of various government measures to check price raises, the phenomena of driving up prices indiscriminately and jumping on the bandwagon in price raises, which arose in the first half of this year, will become less frequent. 3) Under the situation whereby the price uptrend has been initially contained and the margin of price raises has fallen month by month, residents' inflation is also expected to diminish by degrees.

II. Symptoms of a Sluggish Market Begin To Show, Which Should Draw Attention

Apart from taking note of the fact that the margin of price raises is still high and the task of curbing inflation is still arduous, we should also take notice that symptoms of a sluggish market have already begun to show.

First, viewed from the market of the means of production, purchases and sales of investment goods have dropped, too many goods are overstocked, and prices are rapidly falling. According to statistics, in the first half of this year, the amounts of purchases and sales realized by materials circulation enterprises at and above the county level throughout our country dropped dramatically as compared with the same period of last year whereas, by the end of June, the stock balance had increased by 21.6 percent over the same period of last year. Due to the sales resistance and the existence of excessive overstocked goods, the trend of a rapid decline in the prices of investment goods has been shown since the beginning of this year. Compared with the same period of last year, the prices of the means of production increased 15.8 percent in January, 10.3 percent in February, 5.2 percent in March, and were basically level in April and decreasing 2.6 percent in May and 6.2 percent in June.

Second, viewed from the market of the means of livelihood, in the first half of this year, light industrial production increased by 20.1 percent, whereas the total retail sales of social consumption goods nominally increased by 25.6 percent. However, after allowing for price raises, the quantity of goods sold only increased by 4.8 percent, thus indicating that the real growth of resident consumption demand is far lower than production growth. What needs pointing out is that our country's resident consumption structure (demand structure)

is now in a period of transformation and the imminent adjustment of the industrial structure and product mix is a very hard task. Under these circumstances, a relatively steady growth of resident consumption demand and a relatively faster growth of resident savings are not only reasonable and necessary but also help create conditions for the adjustment of the economic structure. The crux of the matter is how we take effective policies and measures so that the resources saved up by residents will be well used to heighten short-term investments and to facilitate the adjustment of the industrial structure, thus laying the material foundations for the transformation of the demand structure and for an increase in aggregate demand.

In addition, a fall in the rate of production and marketing and an increase in the misappropriation of funds for finished products, have adversely affected the normal growth of the production of some investment-type products. In the first half of this year, the industrial output value increased by over 18 percent compared to last year, whereas the rate of production and marketing dropped 1.8 percent. The rate in June dropped 2.1 percent over the same period of last year. According to the statistics from the independent accounting of 380,000 industrial enterprises at and above the township level, by the end of May, a net increase of over 40 billion yuan over the end of February was registered in terms of the misappropriation of funds for enterprise finished products, equivalent to 87 percent of newly added industrial loans during the same period. Since too many goods are overstocked, there is a slow growth, or decline, in the manufacture of key investment-type means of production and machinery and electrical equipment.

III. Two-Point Analysis of the Policy Orientation of Next-Phase Macroscopic Regulation

Curbing inflation and preventing a sluggish market are the two key tasks of current economic work. Neglecting or overemphasizing either task will be unfavorable to maintaining a sustained and steady economic growth in the days to come. The policy of macroeconomic regulation must take into consideration the interests of all concerned and pay attention to easing off the outstanding conflicts in economic operation.

First, we must resolutely continue to treat the task of curbing inflation as an important content of macroscopic regulation. As illustrated by theoretical economic analyses and the practical experience in economic development, a certain extent of inflation is inevitable during a period of rapid structural transformation and high-speed economic development. However, excessive price raises will not only be harmful to economic development and to the atmosphere of economic reform but will also be disadvantageous to the preservation of social stability and unity. At present, the price uptrend has slowed down but price raises are still excessive and the basis for slowing down the uptrend is not too firm. Moreover, the introduction of grain price reform has brought about a

new factor of price raises. Hence, the guiding ideology for the future economic work is still to treat the control over drastic price raises and the prevention of further deteriorating inflation as an important principle. Price raises which are not of the demand-pull type cannot be tackled by simply relying on the policy of demand control; neither can we slacken our control over demand, or else a vicious cycle will take shape. The correct method can only be as follows: Speeding up, under the condition of maintaining moderate control over aggregate demand and by means of reform and policy implementation, the adjustment of the economic structure and the transformation of the enterprise operating mechanism to improve the efficiency of enterprise operation and of allocating resources in the whole national economy.

Second, we must gradually place the prevention of a sluggish market on the agenda of macroscopic regulation. At present, price raises are still excessive but, viewed from the future development trend, price raises will become less and less drastic. As long as we do not slacken off too much our control over macroaggregate demand and supply, it will not be too difficult to lower the margin of price raises to a single-digit figure next year. However, the market problem is different. The problem has now begun to manifest itself but is not too serious. However, as our country is now in a period of lapse in the economic cycle it is estimated that, with the further implementation of various regulative measures, the conflict of insufficient demand will become more and more outstanding in the days to come.

Under the situation in which the task of tackling inflation is still arduous and the control over aggregate supply and demand cannot be loosened, the conflict of insufficient demand must be alleviated on the basis of frequent and microscopic regulation and attention should be paid to settling the outstanding conflicts in economic life. 1) Under the condition of maintaining strict control over the scale of investment in capital construction, the control over investment in enterprise equipment should be loosened appropriately. 2) As far as the availability of floating capital is concerned, enterprises whose products are marketable must be backed up by bank loans. 3) For enterprises which are overstocked with finished products because they cannot adapt to market changes and whose operating mechanism is irrational, we must limit the production of overstocked commodities and reduce their inventories and resort to other legal, administrative, and economic means to help them transform their operating mechanism and produce marketable products instead. Living allowances granted to staff and workers of these enterprises must be, as far as possible, supplied by financial funds and bank funds should not be used most of the time, otherwise this will create obstacles to the reform of the banking system in the days to come. 4) We must keep taking measures, in terms of funds and policies, to encourage exports. The huge growth of exports in the first half of this year has, to a great extent, eased the impact made by insufficient domestic demand.

According to the analysis, since the devaluation of renminbi will have less and less incentive for exports in the latter half of this year, we must take measures, in terms of macroscopic policies, to encourage exports and prevent a slower growth of exports lest the domestic market become more and more sluggish.

Government To Continue Talks on Japanese Loans

HK2808070994 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 28 Aug-3 Sep 94 p 1

[By Wang Yong: "Credit Talks To Continue"]

[Text] China and Japan are expected to hold a new round of negotiations in Beijing next month to discuss the amount and use of the latest batch of Japanese Government loans.

The last round of talks in Tokyo in July produced little progress due to major discrepancies between Japan and China, a senior Chinese official said.

A point of contention is that China wants more loans than Japan is prepared to provide.

"We hope Japan could earnestly consider our new proposals this time so as to come to a successful conclusion to the negotiations," said Liu Zhiben, director-general of the foreign financing department of the Ministry of Foreign Trade and Economic Co-operation.

The proposals include nine environmental projects, as demanded by Japan, Liu said.

There were no environmental projects under the previous three batches of Japanese loans, valued at 1,600 billion yen (\$16.07 billion).

China proposed 69 projects (to be undertaken from 1996 to 2000) for the fourth batch of Japanese loans, but Japan was interested in only 31 of them.

China then added 10 projects to bring the total number to 41, which will need more than 800 billion yen (\$8.04 billion).

Liu said the two countries are likely to reach a consensus on the amount of the fourth batch of loans this year.

He listed five reasons for demanding more Japanese loans for the 1996-2000 period.

—The 1996-2000 period is critical for China's economic construction, and the Chinese Government has arranged more projects for these five years.

Liu said the bulk of the projects are in infrastructure sectors such as transportation, energy, telecommunications and irrigation, which are bottlenecks of the national economy.

—Most of the fourth batch of Japanese loans are to be used in western China regions with relatively under-developed economies.

—China's huge population makes the country's per capita use of Japanese loans much less than that of many other countries.

The per capita amount of Japanese loans in China is around 1,100 yen, (about \$11) but the figure runs as high as 20,000 yen (about \$200.10) in some countries.

—The sharp appreciation of the yen against the US dollar has put pressure on China. China is expected to repay 380 billion yen (\$3.8175 billion) to Japan for the first three batch of loans by the end of this century.

Liu said many Asian countries, including China, have felt the pressure of the yen's appreciation and have hoped Japan would adopt relief measures such as reducing the loan interest rates and extending the repayment period.

Liu said China faces overall bright prospects in using foreign government loans this year.

Besides Japan, France has restored its loans to China this year. And Canada has agreed to provide China with 240 million Canadian dollars worth of mixed loans for the latter half of 1994 and early 1996.

Spain has agreed to provide China with \$125 million in loans, Liu said.

"China is still a developing country, and we are ready to expand financing co-operation with other countries on the basis of mutual benefit," Liu said.

While supporting China's economic development, foreign government loans can also boost exports of the credit nations to China, he explained.

Despite more than a decade of economic improvement, China still has a per capita gross domestic product of less than \$400.

"China has a long way to go to catch up with the world's middle-class developed nations," he said. "China is able to repay foreign loans in time."

He predicted that China could use \$3 billion in foreign government loans this year.

But the Organization of Economic Co-operation and Development (OECD) has restricted the use of government loans in profitable projects.

The restriction has affected China's ability to repay debts, as well as the creditor nations' exports to China.

As a developing country, China hopes to use more foreign government loans for some industrial projects.

Reforms Seek Improved Capital Structure

OW2908042794 Beijing XINHUA Domestic Service in Chinese 0748 GMT 26 Aug 94

[By RENMIN RIBAO reporter Mo Xinyuan (5459 2450 0337) and XINHUA reporter Fu Gang (0265 0474)]

[Text] Beijing, 26 Aug (XINHUA)—These reporters learned from a work conference on experiments to optimize capital structures in various cities that under the unified planning and guidance of the State Council, nine departments—the State Economic and Trade Commission, State Planning Commission, Ministry of Finance, Ministry of Labor, People's Bank of China, Auditing Administration, State General Administration of Taxation, National Administration of State Property, and Industrial and Commercial Bank of China—have made concerted efforts to carry out a package of reform experiments on enterprises in 18 cities with significant results.

With cities as the basis and with the understanding that these experiments are conducted to promote the transformation of state-owned enterprises' operating mechanism as a whole, some important breakthroughs have been made in replenishing enterprises' capital, reducing their debts, excusing them from running social services, distributing surplus workers, and establishing a mechanism that keeps the superior in place and gets rid of the inferior. The cities involved are: Shanghai, Tianjin, Taiyuan, Shenyang, Changchun, Wuhan, Chengdu, Qingdao, Qiqihar, Tangshan, Changzhou, Bangbu, Zibo, Zhuzhou, Liuzhou, Baoji, Harbin, and Chongqing.

It has been learned that except for Harbin and Chongqing, the other 16 cities in the experiments have played a decisive role in national and regional economies because they own one-fifth of the nation's medium and large enterprises, one-sixth of state-owned assets, and create nearly one-fourth of the country's profits and taxes. However, most of the state-owned enterprises in these cities are burdened with insufficient capital, heavy debts, serious shortages of funds for production and operations, a swarm of retirees, and heavy duties in providing social services, which have restricted their efforts to change their mechanisms.

In view of these problems, the nine departments have proposed a program of launching experiments to optimize enterprises' capital structures in various cities, after conducting investigations and studies, and have summed up the experiments into four areas: increased investment, technical transformation, personnel distribution, and bankruptcy.

Increased investment—State-owned enterprises' problem of insufficient capital should be solved through various channels. The state will draft relevant policies to encourage enterprises to increase and replenish funds for production and operations and gradually reduce their debts. These enterprises should also gradually and exactly learn their own conditions through appraising fixed assets, which will be a preparation for defining property rights; reassessing property, and appraising circulating funds in the future.

Technical transformation—Enterprise reform and technical transformation should be integrated. We should change enterprises' mechanisms and revitalize them

through reform, and enhance their staying power and strength through technical transformation. All pilot cities will select a number of key enterprises to carry out the two tasks, backed by the policy of supporting superior and promising enterprises, so as to bring out maximum efficiency with limited resources.

Personnel distribution—A social security system should be established as soon as possible to distribute enterprises' surplus staff and to excuse enterprises from running social services. For example, enterprises should separate their social responsibility from production and operations and then transfer their social service duties to local governments or community organizations. Meanwhile, regional labor markets should be set up to create a job competition system and social insurance should be made prevalent so that retirement and unemployment insurance will cover all kinds of enterprises.

Bankruptcy—The creation of a mechanism that keeps the superior in place and gets rid of the inferior should be promoted by allowing enterprises who cannot repay their debts, who have more debts than capital, and who have no chance of reversing their loss-making conditions to go bankrupt. It is necessary to encourage enterprises to exercise greater self-restraint, optimize the distribution of available assets, and quicken the circulation and reorganization of means of production.

Chen Qingtai, vice minister in charge of the State Economic and Trade Commission, noted: This year, the central authorities have launched a series of important macroeconomic reform measures, including the reform of taxation and finance, which have created conditions for deepening enterprise reform. State-owned enterprises' reform should be given priority next year. It is a hopeful path to launch experiments of optimizing enterprises' capital structures in various cities—it is hopeful because the experiments have integrated the work to strengthen unit enterprises with the work to revitalize the state-owned economy in cities, with structural readjustment as the focus; because the experiments have combined enterprise reform with the improvement of the environment outside enterprises, stressing coordination in reform; and because the experiments have incorporated the changing of mechanisms in enterprises with technical transformation, which is conducive to promoting the establishment of a modern enterprise system as a whole.

Chen Qingtai said: Shanghai, Tianjin, and many other cities are facing rare favorable conditions and opportunities in carrying out the experiments of optimizing capital structures. All cities should fully launch the experiments as soon as possible: 1) strictly implement rules on bankruptcy; 2) complete the appraisal of fixed assets and circulating funds as scheduled and, based on the results of the appraisal, analyze the structures of state-owned enterprises and draft a strategic readjustment program; 3) make sure that these experiments in cities and policies are coordinated; and 4) set targets by

phase for these experiments. Chen Qingtai also stressed: Both successful experiences and lessons of setbacks in the course of experiments are valuable. Without experiments and probing, without going through twists and turns or failures, there would be no final victory in the reform of state-owned enterprises. We must work with creativity and bravely search for new paths.

Government To Tighten Control Over Sales of State Firms

HK2808071394 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 28 Aug-3 Sep 94 p 1

[By Xiao Liu: "China Declares End To Unrestricted Trading"]

[Text] China will tighten control over sales of State-owned enterprises in a bid to protect State assets, according to top officials with the State Administration of State Property.

One of the government's chief tasks is to shape procedures for listing and selling State property in local and provincial State-assets exchanges that have appeared across the country, said Xie Cichang, director of the policy and law department of the administration.

"A certain amount of State assets have been drained away due to unstandardized activities in these exchanges," Xie said.

He added that selling State enterprises to foreign businesses should also be put under standardized management, the Securities Market Weekly reported.

Provisional regulations governing trading in this field are already being drafted, he said.

Property rights transfer has become a hot topic in financial circles since China's first auction of State enterprises was held in 1986 in Shenyang, capital of Liaoning Province.

In the interim, a large number of provinces and cities clamored to sell their enterprises.

Some of the traded enterprises are of medium and large size.

Although experts believe property rights transfer is essential to promote utilization of State assets and to speed up reforms of State enterprises, in some areas the State enterprises become a shortcut for brokers and exchanges to get rich quickly.

State properties in some traded enterprises were undervalued and some were sold at astonishingly low prices and even on credit.

In a bid to arrest the drain in State assets, the State Council issued a notice to suspend the trading activities in May of this year.

State investigations show there are 174 State-assets trading exchanges in China, only 14 of which are provincial and the rest are prefecture- or county-level.

However, as the country's economic reform and development arouse urgent demand for property rights transfer, China should not nip the new transfers in bud, but rectify the market and trading activities, according to Xie.

He said China needs only a limited number of such exchanges and, to reduce trading cost and simplify trading procedure, no brokers are needed.

Meanwhile, he said that property rights transfer of large State-enterprises should first get approval from the State Council, while trading in medium-sized enterprises must be approved by administrative departments as well as the State assets administration, finance department, planning commission and economic commission.

In addition, experts urged the government to strengthen assets evaluation of affected State-enterprises.

Government Adds Funds to Disaster Prevention

HK2908045794 Beijing CHINA DAILY in English
29 Aug 94 p 1

[By Xie Yicheng: "More Funds Earmarked To Prevent Disasters"]

[Text] China has multiplied its investment in disaster-preventing projects, a senior official disclosed yesterday. Starting from this year, the central government is spending 50 million yuan (\$5.8 million) a year on preventing geological disasters in urban areas, a huge rise from the 7 million yuan (\$814,000) spent in 1991. This is a "big step forward," said Liu Yuan, an official with the Ministry of Geology and Mineral Resources and in charge of the scheme.

The 10-year national programme was started in 1991 to improve China's ability to prevent geological disasters, which cause more than 27.4 billion yuan (\$3.2 billion) in property losses annually.

The geological hazard control scheme seeks to cut the frequency and damage of hazards, such as rock slides and mudslides by 30 per cent by the year 2000. Topping the ministry's agenda is finishing geological hazard surveys by the end of next year in the 11 provinces most prone to geological disasters, including Yunnan, Sichuan, and Hubei. Research on other parts of China will be completed by the turn of the century.

"Geologists are busy studying the landscape where abrupt hazards, especially landslips, mud-rock flow, and land subsidence may easily occur, and are developing tactics to put them under control," Liu said. More than 440 out of China's 2,000 counties, districts, and towns are threatened by these hazards.

A nationwide monitoring network is also taking shape in cities, rivers, roads, and mines where geological hazards pose threats to communities. "As a matter of urgency, 26 prevention projects will kick off in cities and towns this year," Liu said.

The cities were selected after research over the past four years in such areas as karst subsidence in Wuhan, mud-rock flow and landslides in Hanyuan County, Sichuan Province, and sea water encroachment in Dalian.

By the turn of the century, 50 major harnessing projects will be carried out in urban areas. Projects will also extend to dangerous sections near important traffic lines, Liu noted.

In the middle reaches of the Yangtze River, two shaky rock masses, which endanger the channel and the Three Gorges Dam project, are being stabilized at the expense of 90 million yuan (\$10.5 million). Both projects will be completed by 1997.

Other control projects are being planned along the Baoji-Chengdu railway line and the Sichuan-Tibet Highway. Geological disasters cause the railway sector 70 million yuan (\$8.1 million) in economic losses annually.

Heavy floods in southern provinces this summer also triggered landslides and mud-rock flow, incurring economic losses far beyond the previous annual average.

'Death Quotas' Apply To Many High-Risk Industries

HK2808062894 Hong Kong SOUTH CHINA SUNDAY MORNING POST in English 28 Aug 94 p 8

[Text] Death quotas are not just restricted to the coal mining industry but are widely used throughout China, government officials have confirmed, writes Geoffrey Crothall. Just about every industry in China where fatal accidents are common uses quotas to determine an "acceptable" level of fatalities for a particular job.

For example, the railway construction department has quotas for the number of fatalities permitted during the building of a tunnel or laying of a section of track. Quotas are based on previous experience of railway track construction and allow for one death for every few metres of track laid.

"They were usually fairly accurate," one former railway construction worker said. "We all knew what the quota was and in most cases the death toll would be in line with that quota."

Industry officials defended the uses of quotas, saying it was impossible to guarantee there would be no deaths during dangerous construction projects. "The quotas are based on the level of technology and the safeguards available to us as well as the difficulty of a specific project," an official responsible for infrastructure construction said yesterday. "They are used to ensure that

the construction companies do not use reckless or unnecessarily dangerous practices to get the contract completed ahead of time."

Quotas are also used by the Beijing municipal government in an attempt to limit city road traffic accidents. Each district's public security bureau and the municipal public security bureau have quotas for the number of traffic accident deaths permitted each year and if those quotas are exceeded the offending bureau will be censured.

However, the quota system does not always ensure traffic police will take effective measures to curb accidents in the city. Police tend to be rather lax in their approach to traffic safety for most of the year until the death toll edges up. Government officials acknowledged the quota system was open to abuse but said it was still the most practical approach to industrial safety available.

The abuses which do occur, such as the trading of death quotas by coal mines, may appear offensive but are basically just a practical response to the problem, one official said privately.

State Council Promulgates Farmland Protection Regulations

OW2808134994 Beijing XINHUA Domestic Service in Chinese 0621 GMT 27 Aug 94

[Text] Beijing, 27 Aug (XINHUA)—Decree No. 162 of the State Council of the People's Republic of China"

"Basic Farmland Protection Regulations," adopted by the 22d executive meeting of the State Council on 4 July 1994, is hereby promulgated, and the Regulations will be put in force on 1 October 1994.

[signed] Li Peng, Premier

[date] 18 August 1994

Official Report Plan To Fight Against Forest Pest

OW2608124794 Beijing XINHUA in English 0959 GMT 26 Aug 94

[Text] Yinchuan, August 26 (XINHUA)—China is to launch a major campaign to fight against a rampant forest pest that has plagued thousands of hectares of forests in northern China.

Forestry officials said that the decision was made after a recent meeting in which more than 100 experts and scholars from 13 provinces and autonomous regions and municipalities in northern China discussed ways to fight against the longicorn, a kind of long-horned beetle.

The campaign is expected to last till 1995. Officials said they hope the campaign will effectively curb the spread of the long-horned beetles that have plagued 312,000 ha of forests in northern China, where the world's longest shelterbelt was built.

More than 225 million trees have been affected. The present the acreage of plagued forest is seven times that in the early 1980s.

Officials said that China has cured an average of 133,000 ha of affected forests each year in the past decade, wiping out over 80 million pest-infested trees each year, about 30 percent of the total inflicted.

However, officials said that while the pest has been curbed in some areas, the longicorn is still spreading.

Lawyers Nationwide Offer 'Free' Consulting

OW2608124994 Beijing XINHUA in English 1002 GMT 26 Aug 94

[Text] Beijing, August 26 (XINHUA)—Some 3,000 lawyers hit the streets in this capital city today to provide free consultation.

That is a snapshot of the whole country today as every August 26 is a day on which lawyers all over the country are called upon to provide free consultancy.

In Beijing, free consulting stations were set up along the city's major streets, in lawyers' offices, and in country markets.

Tens of thousands of people in the city took advantage of the services today.

East Region

Market Economy Said Dominating Northern Provinces

OW2708064794 Beijing XINHUA in English 0635
GMT 27 Aug 94

[Text] Shanghai, August 27 (XINHUA)—Markets govern about 90 percent of the economy in southeast China's Shanghai, and Jiangsu and Zhejiang Provinces, according to experts.

In 1993 only 10 percent of the value of the output in Jiangsu Province was purchased by the government in accordance with the official plan, and only 11 percent of the capital flowing there was appropriated from the central government budget.

About ten percent of the goods and materials supplied there was at government requisition.

There are about 10,000 markets of different sizes in Shanghai, Jiangsu and Zhejiang.

Shanghai has set up markets for metals, petrochemical products, capital, technology and property rights, with a total business volume of over 1,000 billion yuan a year.

This year, the city will foster a financial market as the top priority of its development program.

Nanjing, capital of Jiangsu Province, and Hangzhou, capital of Zhejiang Province, and other major cities in the delta have paid attention to cultivating markets for technology, skilled personnel, labor and information, while expanding markets for consumer goods and production materials.

The countryside is dotted with markets for agricultural and industrial products, which came into being with the growth of rural enterprises and have proved a cornerstone of the market system in the delta region.

Zhejiang is proud of its 136 country markets, each with an annual trade volume of more than 100 million yuan. Ten of them have done over one billion yuan-worth of business.

East Remains Under Drought Conditions

OW2608124894 Beijing XINHUA in English 0951
GMT 26 Aug 94

[Text] Beijing, August 26 (XINHUA)—Over 16 million hectares of farmland are still threatened by serious drought although Typhoon Fred brought heavy rain to most parts of Zhejiang and northern Jiangxi, both in east China.

According to the State Flood Control and Drought Relief headquarters, the provinces of Anhui, Jiangsu, Henan, Hubei, Sichuan and Shanxi were the target of moderate rain yesterday. However, the rain did not relieve drought in these provinces.

Latest statistics from the headquarters show that 26.53 million people and 18.4 million livestock are plagued by acute shortages of drinking water, making it the most serious summer drought since 1978. In Anhui and Zhejiang, the drought is the most serious since 1934.

So far, the central government has allocated 120 million yuan in special funds to help with drought relief work in these provinces.

Anhui City Invites Foreign Investment in Infrastructure

OW2708043894 Beijing XINHUA in English 0322
GMT 27 Aug 94

[Text] Hefei, August 27 (XINHUA)—Tongling, a resource-rich city in east China's Anhui Province, is inviting overseas investment in its infrastructure facilities, industries and tourism development.

The city, located on the northern bank of the Chang Jiang river, has one of the country's six-largest copper deposits and is also rich in gold, silver, iron and sulphur.

Tongling has become a production base for nonferrous metals, construction materials, chemicals and electronic products.

The city welcomes overseas investment to improve local harbors, railways, airport, highways, telecommunications, power, and gas and water supply systems.

Overseas investment will also be used to update equipment in the local electronics, plastics, instruments and meters, medical products and food-processing industries.

Being near the leading tourism spots of mounts Huangshan and Jiuhuashan, the city is hoping that overseas investment will be put into the local tourist industry.

Anhui Vice Governor on Ending Cooperatives' Losses

OW2908064494 Hefei Anhui People's Radio Network in Mandarin 1100 GMT 27 Aug 94

[From the "Provincial Hookup" program]

[Text] From 18 through 21 August, Vice Governor Zhang Runxia led a group of cadres from the provincial supply and marketing cooperative and other departments concerned in a visit to Bengbu to carry out special investigation and a study on making up deficits and increasing surpluses in supply and marketing cooperatives.

During the fact-finding tour, Zhang Runxia urged supply and marketing cooperatives at all levels to fight well in the difficult battle of making up for deficits and increasing surpluses and to ensure the fulfillment of their annual targets for increasing surpluses.

In Bengbu, Zhang Runxia and her party went deep into grass-roots enterprises and held discussion meetings with enterprises' officials to analyze reasons behind their losses and to search for ways and methods to contain losses.

Zhang Runxia pointed out: The purpose of supply and marketing cooperatives is to serve peasants; therefore, it is essential for them to forge with the producers a firm relationship of profit sharing, equality, and mutual benefit to give the latter a feeling that supply and marketing cooperatives are their trustworthy partners. To perfect their service network, supply and marketing cooperatives have the top-priority task of paying close attention to economies of scale, expanding sales volumes and market coverage, and enlarging the rural market.

Zhang Runxia stressed: The key to putting an end to supply and marketing cooperatives' losses lies in strengthening their management, painstakingly improving internal strength, and standardizing and supervising conduct based on a modern enterprise system. County-level supply and marketing cooperatives in particular should give top priority to management, set up rules and regulations, and establish a competitive system to create conditions really conducive to promoting capable persons to responsible positions, to exemplifying hard-working people, and to removing incompetent persons from responsible positions. It is necessary to begin by paying attention to personnel caliber and to training personnel in a planned way to improve the standard of management.

Fujian City Approves 548 Joint Ventures Jan-Jul

OW2708012794 Beijing XINHUA in English 0105
GMT 27 Aug 94

[Text] Fuzhou, August 27 (XINHUA)—Quanzhou city in coastal Fujian Province approved the establishment of 548 foreign-funded ventures in the first seven months of this year, attracting 974 million U.S. dollars in foreign investment.

From January to July foreign investors actually invested some 391 million U.S. dollars in the city, up 36 percent over the same period of last year.

Official sources said most of the foreign investors were from the Asia-Pacific region, including Singapore, the Philippines, Indonesia, Malaysia, the United States, Japan, Thailand and Australia.

The bulk of the foreign investment was in production, infrastructure and raw material projects, with 15 of the new ventures involving more than 10 million U.S. dollars each.

Foreign investment was also used to produce digital program-controlled devices, develop tourism resorts and build shopping malls.

By the end of July the number of foreign-funded ventures in the city had reached 4,473, involving a total investment of 6.264 billion U.S. dollars.

To date, 2,297 of the ventures have gone into production, actually utilizing 1.561 billion U.S. dollars in foreign investment.

Jiangsu Government Calls for Curbing Price Increases

OW2808203594 Nanjing Jiangsu People's Radio
Network in Mandarin 2300 GMT 26 Aug 94

[From the "Provincial News Hookup" program]

[Text] On 26 August, the Jiangsu provincial government issued a circular calling for strictly controlling the new measures for price readjustment and striving to keep commodity price increases under control.

The circular points out: Since the beginning of this year, this province, working under the correct leadership of the party Central Committee and the State Council, has maintained a pretty good trend of progress in reform and opening up and achieved a faster economic growth. Several major reforms are proceeding smoothly and the province is opening itself wider to the outside world. However, a conspicuous problem in our economic life is that commodity prices in the market have increased too much and the inflation situation is grim.

The circular demands: Governments at various levels should fully understand the seriousness and harmfulness of inflation; correctly handle the relations among reform, development, and stability; firmly implement the central authorities' macroeconomic regulation and control measures; and combat inflation. Principal leaders should personally take a hand in the matter, and the leaders in charge of commodity price business should manage the business directly. It is necessary to analyze and forecast the market price trend and promptly study and coordinate relevant measures to curb inflation. It is necessary to continue the system under which the people in charge are held responsible for keeping the general index of commodity prices at a particular level. The success or failure in controlling the indexes of retail and consumer prices should be treated as a major criterion for appraising the government's work performance, and the indexes should be published monthly.

The circular demands: Attention should be paid to promoting agricultural production and increasing the supply of essential goods. In the second half of the year, no new price readjustment should be made. The grain and edible oil prices should be stabilized soon. Efforts should be made to control the increase of prices of meat, eggs, vegetables, and other nonstaple food.

The circular points out: At present, all localities and departments should continue to seriously implement the central authorities' macroeconomic regulation and control measures and deem it a task of prime importance to stabilize market commodity prices. In particular, it is necessary to step up supervision and monitoring of prices and to closely watch market trends. Once discovered, any abnormal market situation should be promptly

reported to higher authorities and be dealt with and overcome effectively, jointly, and immediately by relevant local departments working under the leadership of the local government.

Jiangsu City Seeks Overseas Investment in 100 Projects

OW2708043494 Beijing XINHUA in English 0305
GMT 27 Aug 94

[Text] Shanghai, August 27 (XINHUA)—Changzhou, a rising industrial city in Jiangsu Province, will announce here in September 100 projects for co-operation with overseas firms, a Changzhou government official said here today.

The official said that these projects will focus on co-operation in production of digital-controlled machine tools, battery-operated forklift trucks, precision meters and instruments, automobile air-conditioner compressors, new pharmaceuticals, medical implements, engineering plastics and computer paper.

He said that various foreign-trade companies in Changzhou will discuss here on September 2 the export of 1,000 types of commodities with business people from all over the world.

These will include cereals, edible oil, foodstuffs, textiles, knitwear, clothing, silk, animal by-products, light industrial goods, arts and crafts, hardware, minerals, chemicals, pharmaceuticals, machinery and electronics products.

Meanwhile, the Changzhou international economic and technological co-operation company and other businesses in Changzhou will discuss the export of labor services in such industries as construction, clothing, textiles, machine-building and restaurants, the official said.

Changzhou now has 1,000 export-oriented businesses, 174 of which each export at least two million dollars-worth of goods annually, he said.

To date, the city has approved the establishment of 1,780 foreign-funded firms, involving 1.5 billion dollars in overseas investment, he said.

In 1993 local companies signed 49 contracts to provide labor services overseas, to the tune of 26.7 million dollars, he said, adding that so far they have also opened 52 firms in other countries.

Overseas Investment Pours Into Suzhou's Rural Industry

OW2708025494 Beijing XINHUA in English 0158
GMT 27 Aug 94

[Text] Nanjing, August 27 (XINHUA)—Overseas funds have been invested in 4,900 village and township enterprises around Suzhou city, China's champion in developing rural industries.

Overseas-funded enterprises now account for one third of the total rural businesses in the city's 164 townships.

Suzhou, an ancient garden city in east China's Jiangsu Province and 100 km to the west of Shanghai, has developed into an economically-booming city over the past few years. An industrial park, a joint project between China and Singapore, is now under construction in the city.

So far this year, the townships have approved 304 overseas-funded enterprises involving a total overseas investment of 480 million U.S. dollars.

The overseas investment takes up 60 percent of the total investment in these projects.

With a total investment of 500 million U.S. dollars, 235 of the newly approved enterprises are solely foreign-founded ones.

Local economists have noted that the contract system has been introduced into one third of the foreign-funded enterprises in the city's rural townships.

Southern Jiangsu Cities Lead Modernization Drive

OW2908055994 Beijing XINHUA in English 0430
GMT 29 Aug 94

[Text] Beijing, August 29 (XINHUA)—Suzhou, Wuxi and Changzhou, three rising industrial cities in east China's Jiangsu Province, will continue their efforts in economic development to lead the country's modernization drive.

That is the conclusion of a symposium held here recently to discuss the development strategy of the three cities, an important part of the Chang Jiang Delta.

The general framework of a socialist market economy will be established in the three cities with priority, according to an outline on the development of the three cities around the end of the 20th century disclosed at the symposium.

By the year 2020, the three cities will have an internationally-linked economy with an advanced information industry, a highly industrialized mode of production, an urbanized countryside and a fine ecological environment, the outline says.

China's strategic target of development for the middle of 21st century will first be fulfilled in the three cities, the outline says.

In 30 years, the per capita GNP of the three cities will quadruple, and over 70 percent of the population will be city residents.

Suzhou, Wuxi and Changzhou, near the largest economic center of Shanghai in China, covers an area of 17,500 sq [square] km, with a population of 13.25 million.

Their total GNP hit 113.3 billion yuan with a per capita GNP share of 8,550 yuan last year.

Jiangsu Helps People Affected by Water Pollution

OW2808135394 Beijing XINHUA in English 1314
GMT 28 Aug 94

[Text] Nanjing, August 28 (XINHUA)—The provincial government of east China's Jiangsu has taken urgent measures to help local people affected by water pollution along the lower reaches of the Huaihe River.

From July 16 to 21, a sluice gate in Bengbu of neighboring Anhui Province, which is on the middle reaches of the Huaihe River, was opened and let out 200 million cubic meters of polluted water.

On July 23 the polluted water reached Jiangsu, which is on the lower reaches of the river, and formed a 150-km polluted water belt from Wuhe in Anhui to Hongze Lake in Jiangsu.

Now over 400,000 local people living in the area are suffering from a shortage of drinking water.

Crops as well as industrial and aquatic production in the area have also been affected.

The Huaihe River runs through four provinces of Henan, Anhui, Jiangsu and Shandong. About 150 million people live in the Huaihe River Basin. Since the 1980s, its main tributaries have been polluted as a result of industrial development on both banks of the river.

The Jiangsu Provincial Government has allocated two million yuan (about 233,000 U.S. dollars) to help the local people.

Huaiyin City Government in the area has closed a sluice gate for 24 hours to cut further pollution along the river.

The provincial government also collected 13 million yuan for the building of pipelines to provide local people with clean drinking water, as well as digging wells to exploit groundwater.

Supervision and medical teams have been sent to the affected area since July 23.

The armed forces stationed in the province have also taken an active part in the relief work.

Jiangxi Lake Cleared of Pollutants, Fish Return

OW2708142194 Beijing XINHUA in English 0918
GMT 27 Aug 94

[Text] Nanchang, August 27 (XINHUA)—The Luxi Lake, a national-level tourist resort in Yingtan city of east China's Jiangxi Province, has become clean again after eight years of heavy industrial pollution.

A paper mill at the lakeside used to pollute the lake in the middle of the 1980s.

State Councillor Song Jian ordered late last year that concrete measures should be taken to save the lake.

Earlier this year the paper mill was ordered to stop production and lake water has turned clean and fish have returned.

Shandong Official on Implementation of Corporate Law

SK2908011694 Jinan Shandong People's Radio
Network in Mandarin 2300 GMT 27 Aug 94

[Text] At a forum held on the morning of 27 August on studying and implementing the Corporate Law, Chen Jianguo, Standing Committee member of the provincial party committee and vice governor of the province, pointed out: All corporations newly established or reestablished since 1 July of this year, when the corporate law was promulgated and put into effect, must be subject to strict examination and approval as demanded by the Corporate Law. Those corporations that have already been put into operation before 1 July should be consolidated by stages into groups so they can continuously develop on the basis of standardization.

This forum was organized and convened by the Financial and Economic Committee of the provincial people's congress. Ma Shizhong, vice chairman of the provincial people's congress Standing Committee, presided over the forum.

In his speech, Chen Jianguo stated: The promulgation and implementation of the Corporate Law is of great significance in meeting the demands for establishing the modern enterprise system, in standardizing organizations and the behavior of corporations, in protecting the legitimate rights and interests of shareholders and creditors of corporations, and in maintaining social and economic order. The study and propaganda of the Corporate Law should be strengthened. In particular, leaders at all levels should consciously study and master the law, enhance their sense of the legal system, and further deepen enterprise reform based on the Corporate Law.

Chen Jianguo emphatically stressed: According to conditions, state-owned enterprises may be gradually reorganized as corporations. However, stipulated procedures and formalities must be followed. On no account should it be done rashly on a mass scale. Meanwhile, standardized requirements must be upheld to avoid the emergence of corporations that remain the same but bear a new label.

Shandong Industrial Economic Results 'Improve'

SK2708024794 Jinan Shandong People's Radio
Network in Mandarin 2300 GMT 26 Aug 94

[Text] Economic results of the province's industrial sector continued to improve from January to June. According to the statistics compiled by the provincial

statistical bureau, 23,000 industrial independent-accounting enterprises at or above the township level in the province fulfilled 76.54 billion yuan in added value, an increase of 19.8 percent over the same period last year; earned 178.5 billion yuan from selling goods, an increase of 26.75 percent; and generated 21 billion yuan in profits and taxes, an increase of 30.42 percent, of which profits amounted to 8.265 billion yuan, an increase of 27.54 percent. In addition, the index of economic results reached 112.04, 7.3 percentage points higher than that last year. The above figures show that from January to July, economic results of the province's industrial sector continued to improve and reached the best level since the beginning of this year.

Shandong Secretary Views Agricultural Industrialization

SK2808051194 Jinan Shandong People's Radio Network in Mandarin 2300 GMT 27 Aug 94

[Text] The provincial CPC committee held a forum of responsible persons of some city and county party committees in Jinan from 26 to 27 August to specially discuss how to accelerate the industrialization of agriculture and the rural economy and how to push the province's agriculture and rural economy to a new height. Jiang Chunyun, secretary of the provincial party committee, presided over the forum and made an important speech.

Attending the forum were Li Chunting, deputy secretary of the provincial party committee and vice governor of the province; Han Xikai, deputy secretary and secretary general of the provincial party committee; Wang Jiangong, vice governor of the province; and responsible comrades of pertinent departments of the provincial party committee and the provincial government.

At the forum, responsible persons of 14 units, including Weifang city, Laiwu city, Laiyang, Jiaozhou, Changqing, Rongcheng, Zhucheng, Cangshan, Huantai, Feicheng, Dingtao, Shouguang, Zhaoyuan, and Changyi, delivered speeches on their exemplary experiences.

Thus far, the industrialization of the province's agriculture and rural economy has begun to take shape. According to preliminary statistics, by the end of last year, there were more than 10,000 leading enterprises in processing of agricultural products in the province. Last year, these enterprises realized 59.7 billion yuan in output value and 4.3 billion yuan in profits and taxes. They brought along the production of some 50 million mu of base areas and established links with some 10 million peasant households, thus manifesting their remarkable superiority and great results in industrializing agriculture and the rural economy.

In his speech, Jiang Chunyun said: Industrialization of agriculture and the rural economy is the essential trend of the development of socialist market agriculture and the market economy, is the newborn factor of the deepening of agricultural reform, and is the effective way and

strategic measure to push agriculture and rural economy to a new height and to the orbit of modernization.

Jiang Chunyun pointed out: To accelerate the industrialization and push agriculture and the rural economy to a new height, we should pay attention to the following several links: We should let examples guide the road and promote the work steadily. We should be good at summarizing and spreading the examples that will guide the industrialization and gradually build up a number of exemplary groups covering different regions, different levels, and different categories. In this aspect, measures should be suited to local conditions and forms should be varied. The question what trades and what products should be developed first should be decided by the conditions of raw materials, markets, and professionals of respective localities.

We should firmly grasp key aspects and build leading enterprises well. The key of industrialization of agriculture lies in the leading enterprises that have a strong ability of drawing others. We should energetically develop leading enterprises that can bring along the production of many areas, have high content of technology, are export-oriented, produce new products, embrace various forms of ownership, and contain diverse economic sectors. Enterprises should be guided to handle correctly the relations of economy and interests with peasant households to establish closely related common entities of interest based on mutual benefit. The provincial authorities have decided to give priority to supporting 100 key and leading enterprises; and all localities should also give priority to supporting a number of leading enterprises to better exploit their role in bringing along the industrialization of agriculture.

We should grasp the socialized service and promote the development of industrialization. We should positively guide service organizations to develop toward the orientation of industrialization and specialization. We should give great support to leading enterprises and protect them according to policies. The party's rural policies should be carried out further. In building leading enterprises, we should allow the coexistence of diverse forms of ownership. All enterprises, including state, collective, and individual ones, are allowed to serve as leaders so long as they are able. In arranging funds, energy resources, and transportation facilities, the leading enterprises and enterprise groups that are transregional and embrace several trades and several ownership forms should be treated on a priority basis, with their demands guaranteed first, in an effort to enable even more agricultural products of the province to march toward world markets.

We should improve relations and form a concerted force. In line with the requirements of industrialization, we should establish a new management system that suits the demand of developing the socialist market economy to create a fine external environment for the industrialization of agriculture. We should make overall planning and

a reasonable layout. Based on superior production of respective localities, we should strengthen the research and drawing-up of specific programs for developing the industrialization of agriculture and rural economy. We should deepen reform, perfect mechanism, strengthen leadership, and firmly grasp implementation. In this aspect, we should pay extremely high attention to maintaining the stability and continuity of the party's basic policies toward rural areas.

Jiang Chunyun emphatically pointed out: By firmly embracing the idea that only when agriculture develops can one develop and one rises or falls together with agriculture, all professions and trades should consciously provide all kinds of service for the industrialization of agriculture in order to actually protect the interests of peasants. At the same time, they should strengthen ideological and political work and build good grass-roots organizations simultaneously in order to push the industrialization to an even higher level.

Malaysia Deputy Prime Minister Arrives in Shandong

SK2908032994 Jinan Shandong People's Radio Network in Mandarin 2300 GMT 28 Aug 94

[Text] Accompanied by Wang Yingfan, assistant minister at the PRC's Ministry of Foreign Affairs, a 164-member delegation of government officials and entrepreneurs from Malaysia, headed by Deputy Prime Minister Anwar and his wife, arrived in Jinan by special plane on the morning of 28 August to begin their visit to Shandong.

This delegation visited the PRC at the invitation of Vice Premier Zhu Rongji. Deputy Prime Minister Anwar is visiting Shandong in order to understand the province's reform, opening up, and modernization as well as to explore spheres and ways for mutual cooperation.

When Deputy Prime Minister Anwar, his wife, and his party arrived in Jinan, Chen Jianguo, Wang Yuyan, and Xie Yutang welcomed them at the airport. The delegation visited the Jinan Iron and Steel Plant and toured Qufu and Taishan Mountain.

On the evening of 28 August at the Jinan Nanjiao Guesthouse Club, Governor Zhao Zhihao met with all the delegation members and sponsored a meeting to introduce Shandong's situation and explain the province's investment environment.

At the meeting, Zhao Zhihao cheerfully looked back to when he visited Malaysia last year. He hoped that through this visit by Deputy Prime Minister Anwar and his wife, the friendship between the people of Malaysia and the people of Shandong would further be enhanced, and mutual understanding and cooperation would be promoted.

At the meeting, Lin Shuxiang, chairman of the provincial planning commission, briefed them on the economic

situation and investment environment in Shandong Province. The honored guests were very interested in Shandong's rapid and sound economic development as well as its good investment environment.

After the meeting, Governor Zhao Zhihao hosted a banquet in honor of Deputy Prime Minister Anwar and his wife on behalf of the provincial government.

Provincial leading Comrades Li Chunting, Chen Jianguo, Wang Yuyan, and Li Gongjiu were present at the meeting and the banquet.

Accompanying Deputy Prime Minister Anwar on his visit to Shandong were Adlan, Malaysian ambassador to China; (Feng Zhenan), deputy minister of education; and (Guo Zhuzhen), deputy minister of engineering.

The delegation will visit Qingdao on 29 August.

Shanghai Stock Exchange Connected Worldwide

OW2708142894 Beijing XINHUA in English 1335 GMT 27 Aug 94

[Text] Shanghai, August 27 (XINHUA)—The Shanghai Stock Exchange, the largest of its kind in China, has been connected via computers with 15 securities trading centers throughout the country, an official of the exchange said today.

Meanwhile, the exchange has also been connected with the information networks of REUTERS, and the Dow Jones Company of the U.S., the official said.

Recently, securities trading centers in east China's Jiangsu and Zhejiang Province and Xian, the capital of southwest China's Shaanxi Province, have also been connected with the exchange, he said.

Before that the exchange was connected with similar centers in Beijing, Fujian Province, Shenyang (capital of Liaoning Province), Guangzhou (capital of Guangdong Province), Sichuan Province, Hainan Province, Qingdao (a port city in Shandong Province), Hunan Province, Harbin (capital of Heilongjiang Province), Anhui Province and the Huaxia Securities Company in Shenzhen in Guangdong Province.

"Serving the whole of China and the rest of the world is a goal our exchange has been trying to attain since its establishment on December 19, 1990," the official said.

XINHUA Reports Growth in Shanghai Economy

OW2808140794 Beijing XINHUA in English 1351 GMT 28 Aug 94

[Text] Beijing, August 28 (XINHUA)—The Shanghai city economy in the first half of this year was highlighted by a stable development of the service sector, a steady influx of foreign investment and an increase in the number of private industries.

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Statistics quoted by the CHINA COMMERCIAL DAILY show that the number of domestic-funded enterprises increased steadily to reach 238,000 at the end of June, a rise of 17,700 over the end of last year.

The building industry, one of the fastest-growing industries here, had 6,996 enterprises by the end of June, up 15.3 percent over the same period of last year.

The number of technical service enterprises reached 6,209 by June, an increase of 13.2 percent over the end of 1993.

The service sector, growing by double digits, swelled to include 170,000 enterprises by June, 10.8 percent more than at the end of last year.

During the January-June period, 1,663 new overseas-funded ventures registered with the municipal industry and commerce bureau, bringing in 5.839 billion U.S. dollars in foreign investment.

By the end of June, the city had 9,719 overseas-funded ventures, investing in the city 35.635 billion U.S. dollars in the aggregate.

Private businesses numbered 132,000 by June, employing 184,000 people. The figures were 2.4 percent and 1.9 percent respectively more than at the end of last year.

Some 92.9 percent of the private enterprises were in the service sector, according to official statistics.

Local officials said that private businesses have become increasingly interwoven with small state-owned enterprises and collective enterprises, speeding up the process to engage themselves in scaled economic operations.

Shanghai To Publish Buying, Selling Prices of B-Shares

OW2708144794 Beijing XINHUA in English 1421
GMT 27 Aug 94

[Text] Shanghai, August 27 (XINHUA)—From September 1 this year the Shanghai Stock Exchange will publish nationwide buying and selling prices of B-shares—shares of companies in China offered to foreigners.

A spokesman for the exchange said today that the exchange will publish such prices worldwide as of October 1.

He said the move is designed to make the B-share market more transparent and make it easier for overseas investors to trade in B-shares.

Computers at the exchange will display the top three prices offered by sellers and buyers, as well as the amount of B-shares to be traded, he said.

These prices will be published by the exchange's information transmission system via satellite.

He said that REUTER of Britain and the Dow Jones Company of the United States, which are linked to the Shanghai Stock Exchange, will begin to transmit these quotations to their customers from October 1.

Now 28 types of B-shares are listed on the exchange and more types of such shares will be listed later this year, he said.

Report Views Foreign Investment in Shanghai Firms

OW2808014394 Beijing XINHUA in English 0055
GMT 28 Aug 94

[Text] Shanghai, August 28 (XINHUA)—Forty-four transnational companies came to invest in this, China's biggest industrial metropolis in the first seven months of this year.

They pumped 1.266 billion U.S. dollars into the city's state-owned industrial sector, according to the "JIEFANG DAILY".

The amount was more than the total for the whole of last year.

To date, the city has attracted 146 transnational companies to channel money into 281 projects, involving a total of 3.772 billion U.S. dollars in contractual foreign investment.

More than 40 of the world's largest 500 transnational firms, in terms of sales volume, have invested in industrial projects in Shanghai, with 159 projects of them involving over 10 million U.S. dollars each.

Overall, the 40-plus firms have signed contracts worth more than 2.391 billion U.S. dollars, about 65 percent of the total contractual foreign investment attracted by the city's state-owned enterprises.

By the end of last year more than 3,000 industrial projects supported by overseas investment had gone into operation. And the total sales volume of the foreign-funded industrial enterprises has been growing at an annual rate of more than 60 percent, statistics show.

Local officials said that the marriage between the city's enterprises and transnational companies has given a major push to the reform of the state-owned enterprises here.

For example, the annual sales volume of the city's telecommunications industry has been doubling the amount for the previous year for several consecutive years. The figure is expected to reach 10 billion yuan (1.16 billion U.S. dollars) this year.

Statistics show that among the city's 200 enterprises with the best economic returns 42 were overseas-funded joint ventures.

The value of the state-owned assets in the Third Electric Meter Plant affiliated with the Shanghai Instruments

and Meters Company soared 8.6-fold after it was turned into a joint venture with the Foxboro Company of the U.S.

Officials with the municipal economic commission said that besides giant transnational companies, Shanghai also welcomes small and medium-sized companies from all over the world to invest in small and medium-sized projects and help upgrade the small and medium-sized state-owned enterprises here.

Shanghai's Telecommunications Industry Enjoys Growth

OW2708002694 Beijing XINHUA Domestic Service in Chinese 0516 GMT 24 Aug 94

[By correspondent Bian Guorong (0593 0948 2837) and reporter Liu Jun (0491 6511)]

[Text] Shanghai, 24 Aug (XINHUA)—We have learned from the recent Shanghai Telecommunications Industry Conference that Shanghai's 22 telecommunications enterprises, responding to a call made by the Shanghai municipal government to fulfill two years ahead of schedule the Eighth Five-Year Plan's goals of generating sale and output value exceeding five billion yuan and of profits and taxes delivered to the state exceeding one billion yuan, realized a sale and output value of 4.378 billion yuan in the first half of this year, up 52 percent over the same period last year; and realized profits and taxes of 1.33 billion yuan, 75 percent more than the corresponding period last year. The Shanghai telecommunications industry's growth rate far outstripped that of other traditional industries.

Shanghai is the cradle of China's telecommunications industry. Since the beginning of the 1990s, the Shanghai CPC Committee and the municipal government have treated the high-tech telecommunications industry as Shanghai's second pillar industry. To encourage and support the growth of this industry, they set up a leading group for the development of Shanghai's telecommunications industry, which is headed by Wu Bangguo, secretary of the Shanghai CPC Committee, and formulated midterm and longterm development plans. Over the last two years, the Shanghai branch of the China Industry and Commerce Bank alone extended special loans totalling 217 million yuan as working capital and for special projects to seven high-tech telecommunications enterprises, including the Shanghai Fax Machine Company, thus effectively boosting the production at those enterprises and raising their economic efficiency.

With the booming development of the high-tech telecommunications industry, Shanghai has created a new phase in the development of programmed control telephone exchanges, optical fiber communications, mobile communications, satellite communications, and communications terminals, the five big categories of communications products. The quality of the Shanghai Bell SI240 programmed control telephone exchange is on par

with any of world's digitally controlled exchange systems. Its annual production volume in 1990 was 430,000 lines, but that figure shot to 1.86 million lines in the first half of this year, generating profits and taxes amounting 943 million yuan, nearly two times higher than the same period last year. At present, Shanghai Bell's accumulated output volume has reached over 8 million lines and ranks third in the world in terms of production output. Its product share in the home market exceeds 50 percent.

Some of the important experiences that can be drawn from the sustained and steady development of Shanghai's high-tech telecommunications industry lies in the following: It seeks to break down the departmental and trade barriers; it cooperates both with domestic and foreign counterparts; it takes the approach of aiming only for high standards, of engaging in large scale production, and of only adopting the latest technologies. Following negotiations with some of the world's blue chip companies, Shanghai set up a number of the largest high-tech telecommunications joint venture enterprises in China, which include the Shanghai Bell's Pudong New Plant, the Shanghai Siemens Mobile Telecommunications Limited Company, the Shanghai AT&T Telecommunications Equipment Limited Company, the Shanghai AT&T Optical Fiber Limited Company, the Shanghai Ricoh Fax Machine Limited Company, and the Shanghai Hughes Network System Limited Company, and attracted \$300 million in foreign capital. Since the high-tech products made by these joint venture firms are of the highest standard and reach the international advanced level, they are very competitive on the market.

Shanghai Computer Software Industry Growing 'Rapidly'

OW2708030394 Beijing XINHUA in English 0206 GMT 27 Aug 94

[Text] Shanghai, August 27 (XINHUA)—The software industry has been growing rapidly in Shanghai since the computer industry became a top-priority sector for development in the late 1980s, according to the municipal government.

Statistics from the municipal statistics bureau show that output value of the software industry has risen at annual average rate of 60 percent since 1988.

That value soared to 235 million yuan in 1993 from 21.3 million yuan.

Gao Yuqian, an official with the municipal computer application and industrial development group, said that Shanghai now has 300 software development companies, half of which have been set up jointly with overseas firms.

Thirty-seven of the 133 foreign-funded companies in the Caohejing New-Technology Development Zones specialize in developing software, he added.

The biggest software companies in Shanghai include the Kehai Electronics Corporation, the Huateng Software Systems Company and the Omron Computer Company, he said.

Fifty major software companies made a total of 220 million yuan in profits in 1993, some 90 percent of the total profits made by all such companies in Shanghai, he said.

The software industry exported 8.8 million U.S. dollars-worth of products last year, three times the amount in the previous year.

Altogether, Japan and the United States take 90 percent of software exports from Shanghai, the official said.

The Huateng Software Systems Company has exported 1.7 million dollars-worth of products to Malaysia, Singapore and the United States since its establishment one year ago, he said.

"More and more young people are being employed in the software industry," he said.

About 70 percent of the workers in the local software industry are people below the age of 40, he said.

Of the 50 universities and colleges in Shanghai, 23 have provided computer majors or personnel for computer-related industries, he said.

Gao predicted that the computer industry will grow even faster over the next few years as a result of wider use of computers in such sectors as industrial control, information processing, commerce and banking.

'Celebrities' Detained in Raid on Shanghai Gambling Den

HK2708075994 Hong Kong EASTERN EXPRESS in English 27 Aug 94 p 1

[By Bruce Gilley]

[Text] The drive by the Shanghai Communist Party secretary, Wu Bangguo, to wipe out corrupt foreign influences in the city met with unexpected failure last month.

An attempt to chase away gamblers from near Wu's plush suburban tennis club was called off when the miscreants turned out to be high-powered local notables.

The Qizhong village country club in leafy Minhang district is also the favoured retreat of the party General Secretary, Jiang Zemin, a hangover from his days as the Shanghai mayor.

Wu ordered police from the "special police forces" to shut down a classy restaurant near the village after discovering it had been turned into a gambling den.

The head of the secretive police unit, Tian Weihua, was eager to oblige.

Tian had been in the doghouse with city officials since being implicated as the prime "underground society policeman" in a series of articles in the local Xinmin Evening News last October, which resulted in the disciplining of Tian and the three reporters.

Tian ordered more than 50 officers to surround the restaurant in mid-July, while city officials stood by to observe the "big strike action".

When those inside were marched out the door, police and officials were shocked to see a veritable parade of celebrities.

Included were Shen Wen, the chairman of the city government's Zijiang Group property company, Liu Haiguang, a famous retired athlete, and Yang Xuhui, the Shanghai television station's chief sportscaster.

They were duly put into convict vans and driven to a detention centre in Jingan district.

The next day, when Wu was told who had been detained, he flew into a rage, calling Tian a "person who does not know how to take appropriate actions".

Each of the detained was released with a 500,000 renminbi fine (HK\$444,000), small change compared to the millions with which they were reportedly gambling away the night.

Reports of Wu's backdown have circulated in the city among amused intellectuals since the incident.

"What is Mr Wu Bangguo afraid of?" was the title of one poster, which was hung outside the Peace Hotel, near the Bund, recently.

Gambling was one of the "damaging" influences from abroad which, Wu told the Beijing-backed Ta Kung Pao in January, the city leaders were determined to keep at bay.

"Because Shanghai was infested with foreign adventurers in the past, we will find it difficult to deal with them if they develop as a result of inappropriate management," he said.

"We still cannot have things like horse-racing courses, casinos or betting companies.

"Some friends in Hong Kong and Macao have written with good intentions to tell me the merits of those things. However, we have after consideration decided not to have such things.

"Those who maintain order in casinos are actually hired ruffians. They would form an underworld, then corrupt our judicial departments, turning policemen and bandits into one family and it would be impossible to stop them."

Democratic Party Leaders Briefed on Zhejiang's Economy*OW2808204794 Hangzhou ZHEJIANG RIBAO in Chinese 18 Aug 94 p 1*

[ZHEJIANG RIBAO dispatch by reporter Liu Shanqing (0491 1472 7230) and correspondent Zhao Dianzhu (6392 3013 2691)]

[Text] The Zhejiang provincial party committee briefed the provincial committees of democratic parties and the Federation of Industry and Commerce, as well as relevant mass organizations, on the situation of Zhejiang's economic development and anticorruption struggle during a 17 August meeting.

Wang Qichao, member of the standing committee and secretary of the discipline inspection commission of the provincial party committee, presided over and addressed the meeting.

Lu Zushan, secretary general of the provincial party committee, reported Zhejiang's economic situation. He said: Generally speaking, Zhejiang's economy went well and continued a trend of rapid growth in the first half of the year, while all reforms proceeded smoothly, the financial and banking situation was quite stable, and the people's living standards continued to improve. However, during the course of economic operation, a capital fund shortage continued, economic efficiency was not good enough, the market problem was particularly conspicuous, the agriculture situation was grim, and a great inflation pressure remained. In light of such a situation, we should pay attention to six aspects of the economic work in the second half of the year: Great efforts should be made to open up international and domestic markets and readjust the product mix. It is necessary to firmly deepen reforms so as to promote development. It is necessary to step up technological transformation of enterprises to increase their basis for further development. Efforts should be made to improve the management of enterprises and enhance their economic efficiency. No effort should be spared to reap bumper agricultural harvests, particularly of grain crops, and bring about a healthy agricultural development characterized by good quality, high yield, and high economic efficiency. It is necessary to improve the management, monitoring, and control of market commodity prices.

Zhu Yaozu, deputy secretary of the provincial discipline inspection commission and director of the department of supervision, made a report on Zhejiang's anticorruption struggle. He said: Since the beginning of this year, the party committees, governments, and discipline inspection and supervisory organs at various levels in this province have taken a further step to study and implement the guidelines of the third plenary session of the Central Discipline Inspection Commission and continued to increase the strength of the anticorruption work. Following the initial success of anticorruption work last year, we have made new progress. Leading

cadres have reexamined themselves according to the demands for honesty and self-discipline and have solved some problems. We have investigated and handled a number of law and discipline violation cases. New progress has been made in solving some special problems, including some "hot-spot" issues that the masses have strong complaints about. However, we are also facing some new circumstances and new problems. For instance, some leading cadres still lack a sufficient understanding of the great significance of the anticorruption struggle; the progress of the anticorruption work is uneven; and a strong protectionism exists in some localities and departments, obstructing the efforts to investigate corruption cases and to correct unhealthy tendencies. These problems need serious study and solution. In the next step, we should continue the anticorruption work according to the current plan. Great efforts should be made to enhance people's understanding; strengthen leadership, deal with root causes of corruption; and do the anticorruption work in a thorough, sustained, and more effective way.

Present at the meeting were Geng Dianhua, vice chairman of the Zhejiang provincial committee of the Chinese People's Political Consultative Conference and director of the united front work department of the provincial CPC committee; Wang Xixuan, chairman of the Zhejiang committee of the Revolutionary Committee of the Chinese Kuomintang; Wang Qidong, chairman of the Zhejiang committee of the China Democratic League; Zhang Kejian, chairman of the Zhejiang committee of the Peasants and Workers Democratic Party; Jue Ruilin, chairman of the Zhejiang committee of the Jiu San Society; Zhan Shaowen, chairman of the Zhejiang committee of the Federation of Industry and Commerce; responsible people of the provincial committees of the China Democratic National Construction Association, the China Association for Promoting Democracy, the Zhi Gong Party, and relevant mass organizations; and veteran comrades Li Juhua, Zhu Zuxiang, Chen Li, Wang Jiwu, He Zhibin, and Jiang Ciqian.

Zhejiang Market Prices Turn Stable in Typhoon-Hit Areas*OW2808155194 Beijing XINHUA in English 1520 GMT 28 Aug 94*

[Text] Hangzhou, August 28 (XINHUA)—The prices of foodstuffs and vegetables, eggs and meat have become stable in Wenzhou city of east China's Zhejiang Province, which was hit severely by Typhoon Fred a week ago.

The city was directly affected by heavy rainstorms on August 21 night, several thousand hectares of vegetable land were flooded, and pigs and aquatic products were washed away. The next day saw prices of vegetables soar up.

Confronting the pressing task, the foodstuffs departments of the city were busy organizing supplies of vegetables, egg, fish and meat from nearby localities.

At the same time, the city's free market administration departments tightened control over prices of goods necessary to people's daily life, and cracked down on speculative activities.

Zhejiang Leaders Direct Typhoon Relief Work

OW2808115494 Beijing XINHUA Domestic Service in Chinese 1242 GMT 27 Aug 94

[By reporters Shen Haixiong (1957 3189 7160) and Shen Xiquan (3088 6932 2938)]

[Text] Hangzhou, 27 Aug (XINHUA)—Cadres at all levels in Zhejiang's disaster areas hit by typhoon No. 17 set an example by fighting day and night in the forefront of rushing to deal with emergencies and providing disaster relief. Working with the masses, they were busy providing for and helping themselves by engaging in production and reconstruction.

In the evening of 22 August, just a little more than 10 hours after the typhoon had landed and immediately after an emergency meeting held by the Zhejiang Provincial Party Committee [ZPPC] and the Zhejiang Provincial Government [ZPG] ended, ZPPC Secretary Li Zemin, Governor Wan Xueyuan, and Vice Governors Liu Xirong and Long Anding rushed to cities in Wenzhou, Taizhou, and Lishui Prefectures that were seriously ravaged by the typhoon to express sympathy and solicitude for cadres and the masses there and to direct local disaster relief work despite turbulent floods and landslides. Li Zemin required cadres at all levels to go down to every township, town, village, and island in disaster areas to promptly conduct a thorough survey of the disaster situation, do their best to find people who were reported missing, vigorously provide medical treatment for those who were injured, and swiftly rescue the masses still stranded by floods. In the morning of 23 August, Li Zemin rushed to Qingjiang Town, Shengli Dyke, and Longwan and Ouhai Districts of Leqing city, which had sustained catastrophic damage, to conduct on-site inspection and to call at every household to express sympathy and solicitude for the masses in spite of rains.

Governor Wan Xueyuan, who rushed to Taizhou Prefecture to direct disaster relief work, inspected Ninghai County, Xiangshan County, and Linjiang, Huangyan, Wenling, and Yuhuan areas, which had been declared disaster areas, on his way there before the night was out.

ZPPC Deputy Secretary Liu Feng, ZPPC Standing Committee Member and Vice Governor Chai Songyue, and other leaders who assumed command at home base quickly organized rescue and relief work for disaster areas in the light of their situations by coordinating relevant departments at the provincial level with each prefecture, city, and county. They were on duty all night, giving commands.

Until now, principal ZPPC and ZPG leaders are still in command in the forefront of providing disaster relief.

When typhoon No. 17 landed, Zhang Youyu [1728 0645 0151], Standing Committee member of the ZPPC and secretary of the Wenzhou City Party Committee, was undergoing medical treatment for a serious waist injury. He asked his family to carry him to his office in a chair, held an emergency meeting that very night to draw up a plan for Wenzhou's typhoon rescue and relief work, inspected several seriously ravaged neighborhoods in the city despite his pain, and instructed relevant departments to quickly make proper arrangements for victims' clothing, food, and lodging. On 21 August, Wenzhou City Mayor Chen Wenxian got in touch with the Wenzhou Military Subdistrict [WMSD] late at night immediately after he had learned that the disaster situation on Lingkun Island, Ouhai District, was very serious. At 0600 on 22 August, Mayor Chen Wenxian and WMSD Commander Zou Xuefu rushed to Lingkun Island on a landing boat despite tempestuous winds and waves to express sympathy and solicitude for the masses on the island.

Taizhou Prefecture also sustained comparatively heavy damage from typhoon No. 17. To quickly repair damaged seawalls, Taizhou Prefectural Party Committee Secretary Huang Xingguo and Taizhou Prefectural Administrative Office Commissioner Lin Xicai led government functionaries to take charge of rush repairs. They divided up the work and assigned a part to each group. One million cadres and people were engaged in doing rush repairs of seawalls in Taizhou Prefecture everyday.

Persons in charge of Zhejiang Province's electric, posts and telecommunications, communications, public health, civil affairs, water conservancy, agriculture, and aquatic products departments and bureaus led working teams to rush to typhoon-ravaged areas immediately after they were declared disaster areas.

Thousands of cadres in counties, districts, townships, and villages in the disaster areas became the main force that led the masses to rush to deal with emergencies and provide disaster relief, thereby giving full play to their role as the mainstay. Early in the morning of 22 August, cracks were found on the embankment of the Dakeng Dam at Yunhe County, Lishui Prefecture, posing serious danger to the lives and properties of the masses in the two villages of Xiaoshun and Machang located on the lower reaches of the river. Leaders of the Yunhe County Party Committee and over 10 cadres of the two villages took immediate action. They woke up the masses fast asleep in every household in the two villages and urgently evacuated them to other places in good time, thereby forestalling injuries and deaths. Late at night on 21 August, Yu Xiaoling, secretary of the Wanquan Township Party Committee at Pingyang County, and Zheng Shenbiao, secretary of the Xiqiaotou Village Party Branch at Wanquan Township, led five cadres to the village to rescue people while the typhoon was raging. They made their way to the village, holding each other's hands and braving tempestuous winds and torrential

rains; it took them a full hour to cover 1 km. After Yu Xiaoling had evacuated the masses of Xiqiaotou Village from their houses to safety, he was knocked down and carried by the winds a distance of over 20 meters or so, sustaining injuries all over his body.

Works To Prevent Disease

OW2608143594 Beijing XINHUA in English 1252
GMT 26 Aug 94

[Text] Hangzhou, August 26 (XINHUA)—After Typhoon Fred wreaked havoc in east China's Zhejiang Province, resulting in heavy casualties and economic losses, the province is working to prevent possible epidemics in the typhoon-affected areas.

Soon after Typhoon Fred moved away from Zhejiang, the provincial public health department mobilized provincial and local epidemic prevention departments to monitor epidemic development and supply medicine for local people.

By yesterday, the province's Wenzhou and Taizhou, the major victim areas of Typhoon Fred, had sent over 50 medical teams to the disaster-stricken townships and villages to help with the epidemic prevention.

City officials in the two cities have also brought disinfectants and medical appliances to sterilize drinking water and ensure that food is not polluted.

Central-South Region

Guangdong Takes Measures To Control Real Estate Market

OW2708025294 Beijing XINHUA in English 0155
GMT 27 Aug 94

[Text] Guangzhou, August 27 (XINHUA)—South China's province of Guangdong has limited the size of land used for construction to no more than 40,000 ha a year over the next ten years.

This is one of the measures the provincial government has introduced to enhance macro-control over the real estate sector.

Yuan Zheng, director of the provincial land bureau, told a multi-national real estate delegation on a recent visit that his province will control the overall scale of real estate development, adding that the proportion for real estate development can not exceed 8,800 ha a year in the next decade.

Other newly-unveiled measures include a cap on the construction of high-grade villas, sprawling entertainment facilities and golf courses.

The provincial government meanwhile ordered more funds to be used for urban renovation and building more houses for urban residents.

Guangdong will also step up the management of land prices, land taxation and land property ownership, according to Yuan.

The province will not allow farmland to be diverted for other use.

Yuan said the macro-readjustment measures will enable the real estate sector to embark on a healthy development track.

He added that Guangdong enjoys an advantage in the drive to develop the real estate industry as the province neighbors Hong Kong and Macao and has near access to the Southeast Asia market.

Every year many land developers from those regions become directly involved in Guangdong's land development industry, Yuan said, adding that Guangdong has a potentially large real estate market as it is China's economically fastest-growing province.

According to Yuan, Guangdong had set aside 8,800 ha and 15,066 ha for land development in 1992 and 1993, respectively, with foreign investors participating in 53 percent of these projects.

The international delegation was composed of 34 real estate company presidents from the United States, Britain, Canada, Australia, Sweden, Switzerland, Belgium, Malaysia and Singapore, who expressed their hope to build up business relations with their counterparts here.

More Thermal Power Plants Built in Guangdong

OW2708094994 Beijing XINHUA in English 0843
GMT 27 Aug 94

[Text] Guangzhou, August 27 (XINHUA)—A group of coal-fired power plants have been built in south China's Guangdong Province, adding a new generating capacity of more than two million kw each year.

According to a senior engineer, who was in charge of power planning in the province, by the end of the year 2000, Guangdong will be able to have a total generating capacity of 33 million kw.

He said that the province has focused on the construction of thermal power stations over the past years.

So far, a number of newly-built thermal power stations, including the Shajiao power plant with an installed capacity of 3.96 million kw and the Huanpu power station with a generating capacity of 1.1 million kw, have been operational.

And a dozen new stations are now under construction, including the 3.6 million kw Zhuhai station, 6.6 million kw eastern Shenzhen plant and 2.5 million kw Shanwei power plant.

By the turn of the century, there will be over 20 thermal power plants to be operational in Guangdong, the engineer said.

He said that to build these large power stations, overseas investment is needed and half of the coal supply for these power plants will be imported from foreign countries such as Australia and Indonesia.

Exemption of Visas for Transit Visitors in Shenzhen

OW2708093994 Beijing XINHUA in English 0824
GMT 27 Aug 94

[Text] Beijing, August 27 (XINHUA)—Shenzhen, one of China's five Special Economic Zones, has been approved to accommodate overseas visitors staying for less than 72 hours without entry visas, according to "YANGCHENG EVENING NEWS".

Simplified entry formalities will facilitate transit visitors in Shenzhen.

A special group has been set up to work out detailed rules and regulations in implementing the move.

Hainan Records Growth in Economy, Revenue

HK2908062394 Hong Kong WEN WEI PO in Chinese
18 Aug 94 p b 7

["Special article" by staff reporter Lin Gang (2651 0474) from Haikou on 17 August: "Both the Economy and Revenue Grow in Hainan"]

[Text] Growth in the national economy and in financial and tax revenues in Hainan Province maintained its momentum in the first half of this year. According to statistics of the provincial statistical bureau, the GDP of the whole province reached 9.016 billion yuan, 12.1 percent over the same period last year as calculated according to comparable prices. The local financial revenue of the whole province was 1.28 billion yuan, an increase by 26.7 percent. Local financial spending was 1.55 billion yuan, an increase by 19.2 percent. The growth in revenue exceeded that of spending.

Output Value increased, Exports Picked Up Again

In the first half of this year, the gross industrial output value of the whole province was 4.175 billion yuan (according to 1990 constant prices), 7.3 percent over the same period last year. The readjustment of the structure of agricultural production was quickened. The estimated gross output value may reach 3.54 billion yuan, 14 percent over the same period last year. Benefits from highly efficient agriculture were remarkable. The prices of agricultural and sideline produce rose. The per capita cash income of peasants was 8.2 percent over the same period last year, reaching 657 yuan. The export trade picked up rapidly. In the first half of this year, the gross

value of imports and exports reached \$1.405 billion, 34 percent over the same period last year, and was higher than the national level.

Bank Deposits Rose and Investment Increased

In the first half of this year, the banking situation was also stable and healthy. The deposits of state banks rose again to 34.5 billion yuan. This was mainly the result of the increase in urban and rural bank savings and in local financial deposits. Bank savings were 2.56 billion yuan over the beginning of last year, while financial deposits were up by 430 million yuan. Their growth rates were 13.9 and 55.2 percent respectively. The absorption of foreign capital was also a major channel for increasing bank deposits. In the first half of this year, the amount of foreign capital actually used throughout the province reached \$769 million, 220 percent over the same period last year. The rate of direct foreign investment already in position reached 51 percent. This year also has witnessed the use of the greatest amount of foreign government loans—totalling over \$70 million—since the establishment of the province. In addition, the province also received nonreimbursable assistance from international organizations, amounting to 5.6 million Australian dollars and 4.25 million Deutsche marks.

In the first half of this year, fixed-asset investment already accomplished throughout the province (excluding investment made by urban and rural collectives, and by individuals) amounted to 5.679 billion yuan, 48 percent over the same period last year. A total investment amounting to 2 billion yuan was already put into 24 key provincial-level projects, 169 percent over the same period last year. The strength of investment, the progress in construction, the quality of engineering, and the rate at which key being were put into operation on completion—all reached a record high level.

Relatively Large Increase in Revenue From Key Tax Sources

The main reason Hainan's financial revenue increased in the first half of this year was that a series of financial and taxation reforms was carried out successfully, and the increase in revenue from key tax sources was quite large. First, this was shown in the revenue from business tax, which was nearly 610 million yuan, 46.8 percent over the same period last year. The business tax from the key tax sources of the banking, insurance, tourism, transportation, and real estate industries were 99, 79.3, 86.9, and 34.4 percent, respectively, over the same period last year. Second, as a result of accelerating the change in enterprise operational mechanisms and of constantly improving economic efficiency, revenue from the income tax of enterprises also increased by a relatively wide margin. In the first half of this year, the revenue from the income tax of enterprises of the whole province was about 190 million yuan, 29.8 percent over the same period last year. Collective and private enterprises developed quite rapidly, and the revenue of taxes from them was 13.7 percent and 41.7 percent, respectively, over the same period last year.

Generally speaking, against a backdrop of serious shortage of funds and last year's high speed growth, the revenue from all 15 of the 17 categories of taxes levied in Hainan Province in the first half of this year was more than that of the same period last year. Only the revenue from the value-added tax and consumption tax of domestic industries decreased. Viewed from the location of revenue, the imbalance in income from different cities and countries intensified. Viewed from the structure of tax revenue, the percentage from the tertiary industry increased, accounting for 80.8 percent of the gross tax revenue from domestic industry and commerce, while the percentage of tax revenue from the secondary industry decreased.

Joint Venture CD Production Line Set Up in Henan

OW2808093594 Beijing XINHUA in English 0919 GMT 28 Aug 94

[Text] Zhengzhou, August 28 (XINHUA)—A production line capable of making 6,000 master compact discs (CD) a year has been built in Anyang city in central China's Henan Province.

The production line, said to be of the advanced world level, is expected to end the country's dependence on importing master CDs.

In the past few years more and more Chinese have become able to afford to buy CD systems, which has swelled the local demand for cds.

With an investment of four million U.S. dollars from a local company and a U.S. music company, the joint venture is expected to realize an annual output value of 28 million yuan (about three million U.S. dollars).

Hubei Township Enterprises Earn Hard Currency With Exports

OW2808044294 Beijing XINHUA in English 0324 GMT 28 Aug 94

[Text] Wuhan, August 28 (XINHUA)—Township enterprises in central China's Hubei Province are making record amounts of hard currency through exports to countries and regions worldwide.

Statistics show that during the January-June period this year the province's township enterprises, employing 130,000 people, earned a total of 160 million U.S. dollars in foreign exchange, up 73 percent over the same period of last year.

To ensure more convenient access to overseas market, many of the township enterprises have opened outlets in Guangzhou and Shenzhen, the pioneers of China's opening drive. Some have even set up businesses and offices overseas.

For example, township enterprises in Xiantao city alone have established five joint ventures overseas.

The Tianyu Company of Tianmen city has set up offices in Moscow and Hong Kong, and its products sell well in 15 countries and regions in Asia, North America and Europe.

In the first six months of this year the company netted eight million U.S. dollars in foreign exchange.

The encounter with the world market has enabled Hubei's export-oriented township enterprises to shift from being labor-intensive to being capital-and technology-intensive.

Equipped with imported machines, the Xingfu Shirt Corporation of Qianjiang city has made its products one of the ten most popular in China.

Now the corporation is planning to import the latest equipment from Italy, Japan and Germany to produce top-grade shirts.

From January to June this year the corporation earned more than 10 million U.S. dollars in foreign exchange, nearly equal to the total amount it earned last year.

To make the township enterprises more competitive in international markets the Hubei Provincial Government has called on them to promote international standards and practices and set up a strict quality system.

Official sources said that finished industrial products, such as textile and machinery products, have replaced minerals, and agricultural and sideline products to become Hubei's major exports.

Noncommunist organizations in Wuhan Promote Adult Education

OW2708142094 Beijing XINHUA in English 0906 GMT 27 Aug 94

[Text] Wuhan, August 27 (XINHUA)—Non-communist party organizations in Wuhan, capital city of central China's Hubei Province, have made positive efforts in promoting adult education.

The Revolutionary Committee of the Chinese Kuomintang has set up the Hubei Zhongshan University, named after late Dr. Sun Yat-sen, the founder of the party.

Over 8,000 students study in the university, and many have graduated.

It consists of several departments on international trade, finance, computer technology and other hot subjects.

There are 35 schools of the sort in Wuhan built by non-communist party organizations.

Hunan's Growing Small Towns Absorb Surplus Rural Laborers

OW2908045194 Beijing XINHUA in English 0321 GMT 29 Aug 94

[Text] Changsha, August 29 (XINHUA)—Central China's Hunan Province is speeding up the development

of its small towns, which in turn absorb a growing number of surplus rural laborers.

Now the over 3,000 rising towns have provided employment opportunities for four million local farmers.

The industrial output of these towns has come to account for one third of the province's total; and the social commodities retail sales volume, 32.5 percent.

During the past three years, the farmers in the province have seen their farm income going up 6.3 percent a year while their income from non-agricultural sectors has grown by 15 percent.

With the development of small towns, the output value of rural industries and the service sector last year exceeded that of agriculture for the first time.

Hunan, a traditional agricultural province with 85 percent of its 62-million population living in rural areas, has a 40 percent surplus of rural laborers.

While stressing the importance of improving rural industrial mix, the province has worked out the strategy of developing small towns to exploit local advantages.

It has also encouraged rural and privately-owned enterprises to contribute to the development of small towns, and help upgrade local economies in which farmers are playing a key role.

Some cities and counties are carrying out pilot reforms in urban residence registration by adopting preferential policies for local farmers to open businesses in towns and get better education for their children.

Meanwhile the province strives to open various channels for the pooling of capital such as the sales of land use rights and introduction of funds from the outside.

During the past five years, the province has collected nearly ten billion yuan (about 1.2 billion U.S. dollars) for infrastructure constructions in small towns.

Yueyang County, which has shifted 80,000 farmers in the past ten years, has completed the construction of three towns for business activities, ten new villages, and five wholesale markets for farmers.

Last year, the business volume of farmers in the county accounted for 60 percent of the county's total.

Jinjing town in Changsha County has formed a dozen industrial zones specializing in casting, tea production, tanning, garment making, timber processing and some other industries.

Now the number of the town's industrial and commercial enterprises has increased from the original 21 to 686; their total income, from 5.8 million yuan to 120 million yuan.

The town has absorbed a total of 1,800 surplus laborers from its rural areas.

With the rapid development of small towns in the province, many rural surplus laborers who went to work in south China's coastal developed areas several years ago now have returned home.

Southwest Region

Overseas Investment Boosts Guizhou Agriculture

OW2708030294 Beijing XINHUA in English 0202
GMT 27 Aug 94

[Text] Guiyang, August 27 (XINHUA)—As the policy of reform and opening is being carried out in China's remote southwest province of Guizhou, it has been using foreign investment to develop its agriculture.

According to Zhang Qingli, an official from the provincial agriculture department, since the province introduced equipment and technology from New Zealand in 1983, it has established economic relations with over 20 countries and regions, including Holland, Australia, Germany, Denmark, Canada and Japan.

Statistics from the agriculture department shows that the province has used overseas funds and equipment with a total value of over 330 million yuan and has completed 12 projects in agriculture, fisheries and animal husbandry, which have helped millions of rural population to escape poverty.

In 1988 the province accepted 65,000 tons of wheat and 2,000 tons of dried beef from the United Nations food program. Together with 30 million yuan in investment from the provincial government, it was able to carry out comprehensive development of mountains, rivers, farmlands and forest in five counties.

After five years the project has yielded good results. Some 6,400 ha of low-yielding land has been transformed, 24 water-conservancy projects finished and 7,468 ha of trees planted.

Zhang said that the overseas funds used by the province include free aid from the United Nations and other countries, overseas loans and donations from international and non-government organizations.

Officials from the World Bank and New Zealand have visited Guizhou to inspect the province and offer further co-operation in the comprehensive development of agriculture.

Sichuan Secretary Addresses Education Work Conference

HK2908020994 Chengdu Sichuan People's Radio
Network in Mandarin 2300 GMT 21 Aug 94

[Text] A provincial education conference was solemnly inaugurated in Chengdu yesterday [21 August], under the auspices of the provincial party committee and people's government. The conference was attended by a number of provincial party, government, and military

leaders, including Xie Shijie [secretary of the provincial party committee], Yang Xizong [chairman of the provincial people's congress standing committee], Nie Ronggui [chairman of the provincial committee of the Chinese People's Political Consultative Conference], Song Baorui, Qin Yubin, Pu Haiqing, Wu Yundong, Luo Liangyang, Xi Yifang, Geng Quanli [political commissar of the provincial military district], Kang Zhenhuang, Rao Yongyu, Xu Shiqun, and others. Zhang Tianbao, vice minister of the state education commission, delivered a congratulatory speech.

Secretary Xie Shijie delivered a speech in which he stated: Since the Third Plenary Session of the 11th CPC Central Committee, the province's educational undertakings have enjoyed fast-paced development and made notable headway, thanks to persistent efforts on the part of the broad masses of education cadres and workers. As a result, the province has significantly improved labor quality; trained a large number of qualified personnel; and pushed forward economic construction, scientific and technological progress, and social development. On behalf of the provincial party committee and people's government, Secretary Xie Shijie paid lofty tribute to Sichuan's broad masses of hardworking teachers and education workers, and he extended his heartfelt thanks to people in all walks of life for their persistent concern for the province's educational development, and his high respect for Sichuan's teachers. He noted: The party committees and people's governments at all levels across the province should attach great importance to, and energetically press ahead with the development of education. They should attach strategic priority to the development of education, and should place it high on agenda, while earnestly increasing input into educational undertakings and doing more realistic things for educational undertakings and teachers. The key to the province's educational development, he noted, lies in comprehensively deepening the province's educational reform; rationally distributing educational resources; and rendering Sichuan's educational structure and content more suitable to its developing market economy and comprehensive social progress.

Comrade Xie Shijie concluded his speech by saying: The Chinese nation's future and prosperity lie in education. In order to attain the province's educational reform and development goals for the 1990s, party committees and people's governments at all levels in Sichuan should constantly and thoroughly strengthen leadership over educational work. I am confident that as long as we do things in this way, Sichuan's reform and development will stand a very good chance of success!

Xu Shiqun [vice governor] also delivered a report entitled: "Conscientiously Implement and Carry Out the State Education Program, and Strive To Attain Sichuan's Educational Reform and Development Goals for the 1990s."

In a related development, on behalf of the provincial people's government, Vice Governor Pu Haiqing,

member of the provincial party committee standing committee, gave a report yesterday afternoon in which he summed up Sichuan's educational situation at present.

Tibet Expects Good Harvest Despite Disasters

OW2808093794 Beijing XINHUA in English 0914 GMT 28 Aug 94

[Text] Lhasa, August 28 (XINHUA)—Tibet Autonomous Region is expected to reap a good harvest in farming and animal husbandry despite such disasters as severe drought, heavy snow and wind.

Since last winter, the region's Ngari Prefecture was hit by heavy snow after a successive drought, killing 20 percent of the livestock. In the region's Nagqu and Xigaze Districts, 76.7 percent of the livestock died owing to the disasters.

To minimize the losses, the region mobilized large number of people to transport animal feed and repair damaged livestock sheds.

Besides, the construction of disaster-prevention bases have also helped minimize the disasters. This, along with efforts by local farmers and herdsmen to resume production, has brought damages under control.

By now, 81.46 percent of Tibet's newborn animals have lived through disasters, a little below last year's level. About 85 percent of the young animals have lived through the disasters, a rise of five percentage points over the same period last year.

Better livestock production has also been scored in the region's Qamdo, Nyingchi and Lhasa.

Tibet Provisions on Operating Cultural Businesses

OW2808185994 Lhasa XIZANG RIBAO in Chinese 14 Aug 94 p 3

["Provisions of the Cultural Market Management Committee of the Tibet Autonomous Region Governing the Implementation of the 'Cultural Business Permits' System"; date not given]

[Text] The following provisions on matters in connection with the implementation of the "cultural business permits" system are formulated to strengthen the management of the cultural market in our region and to strictly enforce the system of permits for cultural businesses:

1. All business activities that earn income through various cultural activities or earn income by utilizing cultural places are cultural business activities.
2. Before applying for registration with an administration for industry and commerce, whoever holds activities in connection with cultural recreation, books, newspapers, publications, arts, cultural relics, movies, audio-video tapes, performances, Chinese-foreign cultural

exchanges, spare-time literary and art training, and other cultural business activities must apply for and obtain a "cultural business permit" (hereafter referred to as permit) from the local cultural market management department at and above the county (city) levels.

3. A "permit" is valid for two years. After a permit expires, the unit or individual in possession of the permit must apply for a new one with the original department that issued the permit, and shall not be permitted to continue cultural business activities before obtaining a new permit. Illegal cultural businesses without a permit shall be strictly banned and shall also be punished according to law.

4. The "permit" design shall be determined and printed by the Tibet Autonomous Region's Cultural Market Management Committee general office; permits shall be approved and issued by prefectural (city) cultural market management committees. A "permit" is divided into an original copy and a duplicate. The original copy is a hanging type, and the duplicate is a foldable type.

5. Applications for operating places of cultural business must be examined by a cultural market management department. Permits shall be issued to applicants who meet the requirements. After obtaining a permit, an applicant must go to a public security department and an administration for industry and commerce to complete applications for other certificates and licenses. An applicant may start business operations after completing these procedures.

6. Where applications for a "permit" are submitted by departments and units directly under the regional government, by central and provincial units stationed in Tibet, by enterprises (including foreign-funded ones) registered at an administration for industry and commerce in the autonomous region, by organs of the Tibet Military District of the Chinese People's Liberation Army, and by the Armed Police Corps and its subordinate units, the Tibet Autonomous Region's Cultural Market Management Committee shall be responsible for examining the applications and issuing permits. The committee may authorize local prefectural (city) cultural market management committee to examine applications and issue permits.

7. Units or individuals that have obtained "permits" in accordance with these provisions must operate their business according to law and accept the guidance, supervision, and examination of cultural market management committees.

8. In their business activities, units or individuals that have obtained "permits" in accordance with these provisions shall uphold the orientation of serving the people and socialism; pay attention to social benefits; and provide people with a rich, colorful, healthy, and beneficial cultural life.

9. Cultural market management departments at all levels shall strengthen supervision and management over

places of cultural business in areas under their respective jurisdiction. A cultural market management department at a higher level shall supervise and check the activities of a cultural market management department at a lower level.

10. Cultural market management departments shall improve their checking system. Based on "certificates for inspecting the PRC cultural market" issued by the Culture Ministry, their inspection personnel shall execute their duty in places of cultural business in the areas under their jurisdiction. Cultural business operators shall consciously accept inspection and render assistance in connection with inspection.

11. "Permits" shall be used only by the units or individuals that apply for permission to operate a business. Borrowing, leasing, or selling of permits are prohibited.

12. A unit or individual whose "permit" has been revoked for violating these provisions are banned from engaging in cultural business activities for two years, starting from the day of permit revocation.

13. Cultural market management departments shall strengthen management over "permits." They must not abuse their power, bend the law for personal gain, or neglect their duty; they must examine applications strictly in accordance with requirements before issuing permits.

14. Should provisions already enacted conflict with these provisions, these provisions shall apply.

15. These provisions shall take effect from the day of promulgation.

National Aid-Tibet Health Meeting Opens in Lhasa

OW2808152194 Beijing XINHUA in English 1507
GMT 28 Aug 94

[Text] Lhasa, August 28 (XINHUA)—A national aid-Tibet medical and health working conference opened today in Lhasa, capital city of southwest China's Tibet Autonomous Region.

More than 100 medical workers and officials from the Ministry of Public Health and 14 provinces and cities took part in the meeting.

At the four-day meeting, participants will focus their efforts on summing up the past experience of aid-Tibet health work and on formulating the agenda for the future task, in a bid to carry out the spirit of the recently-held third Tibet work forum by the party Central Committee and the State Council.

Aiding of Tibet in public health started in the early 1950s. So far, a total of 73 medical teams, involving 787 doctors and nurses, from 14 provinces and cities and 12 higher learning institutions across the country have been

sent to Tibet. And they have also trained a large number of medical students for Tibet.

Over the past years, the Chinese Government has directly invested an accumulated fund of more than 1.1 billion yuan to develop the local health work and medicine in the region.

The Tibetan people have long enjoyed a unique free medical policy, supported by the ministry of public health and other provinces. This cost a total of over 200 million yuan.

Backed by the central government and inland provinces, Tibet is now reporting a fast development in medical and health work. The urban medical equipment and facilities have been expanded while the medical organizations are mushrooming in rural areas.

Figures provided by the local census bureau show that the average life expectancy of Tibetans has now jumped to 64 from 36 in the early period of the peaceful liberation of Tibet in 1951.

But according to officials in charge of the aid-Tibet work, Tibet is still lagging behind the provinces and cities in other parts of the country and it needs an urgent support in medical personnel.

In a considerably long period in the future, Tibet will need more help from the central government and other provinces, the official said.

Tibet Establishes 'Complete' Public Health Care Network

OW2808030894 Beijing XINHUA in English 0251 GMT 28 Aug 94

[Text] Lhasa, August 28 (XINHUA)—A complete health care network has been established in southwest China's Tibet Autonomous Region.

By the end of last year 1,070 public health care units with 9,683 medical workers had been established in all the counties in the region.

The average life span of the Tibetan people has increased from 36 in the early 1950s, when Tibet was peacefully liberated, to 64 at present.

A variety of infectious and endemic diseases, which used to endanger the local people's lives, have all been put under control.

In the past 40 years, the state allocated more than 1.1 billion yuan (128 million U.S. dollars) to develop the region's public health care work. In addition, the Tibetan people enjoy free medical care treatment.

Before 1950, the whole of Tibet had only 400 medical workers, who mainly served the upper classes.

Geothermal Power 'New Force' in Tibet

OW2608145394 Beijing XINHUA Domestic Service in Chinese 2117 GMT 25 Aug 94

[By reporter Ning Shiqun (1337 0013 5028)]

[Text] Lhasa, 26 Aug (XINHUA)—Electricity generated by geothermal power accounts for 50 percent of Lhasa's total power output, becoming a new force in Tibet's energy construction.

Tibet experienced a chronic power shortage, which had seriously impeded Tibet's economic development. In the 18 years since 1975, the autonomous region attached importance to the exploitation of geothermal power, conducting general surveys and prospecting terrestrial heat resources in Yangbajain, Yangyi, and Nagu; and submitting to the state 13 reports with relatively high production and scientific research values concerning the exploitation of terrestrial heat. Of these reports, the "report on evaluating phreatic heat deposits in the Yangbajain terrestrial heat field" received the Geology and Mineral Resources Ministry's First-Class Award and the Second-Class National Scientific and Technological Progress Award; and the "report on the prospecting of the Yangyi Terrestrial Heat Field in Tibet's Damxung County" received the First-Class Award from the All-China Committee on Mineral Resources.

The Tibet Geology and Mineral Resources Bureau's geology team is the only professional team engaged in prospecting and exploiting high-temperature terrestrial heat resources in China. In 1975, it achieved a major breakthrough in China's terrestrial heat prospecting by drilling the first high-temperature, high-pressure well in the Yangyi Terrestrial Heat Field, which had a temperature of 207.16 degrees Celsius, closed-well pressure of 9.4 in terms of atmospheric pressure, flow rate of steam and water amounting to 402 tonnes per hour, and single-well power generating potential of 9,600 kw. In 1993, the team drilled another high-temperature well in the north of Yangbajain, which had a depth of 2,006.8 meters and a temperature of 329.8 degrees Celsius, thus breaking the universally recognized 200 degrees Celsius for super heat fluid grade. The well is currently the deepest and hottest terrestrial heat well in China. Last year, the team also built Tibet's first geothermal power station in the Nagu Terrestrial Heat Field.

Tibet is rich in terrestrial heat resources. Since last year, to benefit the people in Tibet with more terrestrial heat, the team visited Nagu and Ngari in search of more deposits. So far, the team has discovered about 10 places where terrestrial heat resources can be exploited. The team also used terrestrial heat to built some 40,000 square meter geothermal greenhouses, which produce more than 500,000 kg of tomatoes, peppers, and other vegetables annually.

Yunnan Capital Opens Up Wider to Neighboring Countries

OW2608155694 Beijing XINHUA in English 1348
GMT 26 Aug 94

[Text] Beijing, August 26 (XINHUA)—Kunming, capital of southwest China's Yunnan Province, which shares boundary lines with Vietnam, Laos and Myanmar [Burma], carried out a border trade value of 368 million yuan (42 million U.S. dollars) last year, up 18.7 percent over the previous year's figure.

So far the city has 52 enterprises involving an investment of 105 million U.S. dollars from neighboring countries.

With some 80 branches opened in Vietnam, Laos and Myanmar, 149 local factories export products in electronics and mechanics, light industry, textiles, heavy industry and chemicals to these countries.

Having developed air routes to Yangon (Rangoon), Bangkok, Singapore, Kuala Lumpur, and Vientiane, the city of Kunming received 138,800 overseas tourists in the first half of this year, a record high compared with the same period in previous years.

Yunnan Joint Copper Corporation Unites Small Mines

OW2608155894 Beijing XINHUA in English 1323
GMT 26 Aug 94

[Text] Kunming, August 26 (XINHUA)—A joint copper corporation that combines more than 100 small copper mines and mills has been founded in southwest China's Yunnan Province.

Designed to promote the production levels of copper production in the province, whose copper reserves hold the third largest volume in China, the Yunnan Copper Industrial Joint Corporation will coordinate the mining and operation of the small mines.

There are at least 140 known copper mines in Yunnan that are high-grade and easily mined. Over 100 small mining sites have been established in the past few years.

However, officials said that due to a lower technical level and simple mining facilities, these mining sites have caused huge waste. Their copper products are not selling well on the market.

North Region

Beijing's Investment Environment Takes Lead

OW2608155794 Beijing XINHUA in English 1353
GMT 26 Aug 94

[Text] Beijing, August 26 (XINHUA)—Beijing's investment environment is the best among major Chinese cities, a recent issue of the "BEIJING EVENING NEWS" quoted from an authoritative survey.

Now the city's gross national product and industrial output value is second only to Shanghai, the largest business center in east China.

So far, Beijing, with a modern industrial system, has over 20,000 industrial enterprises and an industrial output value of 125.9 billion yuan (about 14.64 billion U.S. dollars).

Among China's 164 categories of industries, Beijing has 149, and its electronics, automobile and medical industries are playing an important role in China.

The output values of its color offset printing and industrial chemicals are at the top of China's list.

The city also has nearly 6,000 overseas-funded enterprises.

By the year 2000, Beijing's industrial output value is expected to reach 250 billion yuan, and it will stress 12 industries including automobiles, electronics, electro-mechanicals and medicines.

Beijing To Open 2 More Land Ports

OW2708085494 Beijing XINHUA in English 0812
GMT 27 Aug 94

[Text] Beijing, August 27 (XINHUA)—Beijing, China's capital city, plans to open one or two land ports this year to meet the fast growing import and export needs.

Currently the municipality has customs check points at its international airport and a cargo transportation port in Fengtai Railway Station, southwest of the city.

According to the municipal port office, the authorities are working on a plan for the construction of a modern port system after officials and experts concerned inspected Wulidian, Majuqiao, Shibaidian and a railway station in the eastern suburbs, which are believed to be possible sites to open.

To intensify the port management, Beijing stipulated a regulation concerning the ports open to foreign traders. Corresponding laws and regulations will be mapped out this year so as to build up a sound legal system in port management.

Two Executed by Shooting for Beijing Murders

SK2908094594 Beijing BEIJING RIBAO in Chinese
18 Aug 94 p 3

[Text] A few days ago, the municipal intermediate people's court escorted two criminals to the execution ground for execution by shooting according to the law. Criminals Feng Duan and Luo Zhengzhong broke into the house of a Beijing University professor to rob him and kill him and his wife cruelly, and then set a fire to destroy the scene of the crime.

Feng Duan and Luo Zhengzhong, unemployed, were punished in Beijing in line with administrative action for

violating the law and discipline on several occasions and were sentenced to a set term of imprisonment. Colluding with each other to make a plot, criminal Feng and Luo carried three sharp knives and made an inroad into Professor Guo Yuanheng's house located in Zhong-guanyuan in Haidian District, Beijing Municipality shortly after 1900 on 9 February 1993. They fooled the person to open the door by lying about checking the quality of the furnished rooms. They broke into the house and killed Guo Yuanheng and his wife Xiong Xiuzhong (high-ranking engineer of the Physics Research Institute of the Chinese Academy of Sciences) on the spot with knives, robbed some property, and set a fire to destroy the scene of the crime.

The municipal intermediate people's court held that the crime committed by Feng Duan and Luo Zhengzhong was abominable and the case and the consequences were particularly serious, causing great harm to society and incurring the greatest popular indignation, and that they should be strictly punished without mercy. After Feng Duan and Luo Zhengzhong were sentenced to death, they appealed the ruling and were rejected by the municipal higher people's court after the case was heard. Their original verdicts were upheld and their death sentences were approved.

Beijing Acts To Curb Crime Before Games for Disabled

HK2708072594 Beijing CHINA DAILY in English
27 Aug 94 p 3

[By Liang Chao: "Police Enact Crack-Down for a Secure Fespic Meet"]

[Text] Beijing's police force is launching a crack-down on crime to ensure a better social climate for the upcoming Far East and South Pacific Games for the Disabled, which start on September 4.

Police authorities have, since early this year, intensified their efforts to foil cases of murder, robbery and other crimes which threaten the capital's social security, a spokesman for the Beijing Municipality Public Security Bureau told China Daily yesterday.

Nearly 2,600 cases of serious crime were solved between January and July, the spokesman disclosed, adding that the number of unsolved major crimes were up 28 per cent over the first half of 1993.

Meanwhile, police have also succeeded in confiscating illegally-owned guns and intensifying their efforts to clean up the capital of pornographic evils, such as prostitution.

During the crackdown, a series of measures have also been taken to rectify public order in the capital's 44 public places where more crimes used to be reported.

This month, security preparations are in full swing for the disabled games, the spokesman said, promising: "we are in high spirits for the opening of the Fespic."

A special public security body has been set up by the organizing committee of the games with responsibility for all the event's security issues.

It has worked out 27 emergency security plans to help the disabled athletes, conducted a thorough safety check on all of the facilities to be used during the meeting, run training security courses for people working for the games and intensified the city's traffic control.

Central Inner Mongolia To Become Major Industrial Base

OW2708091994 Beijing XINHUA in English 0818
GMT 27 Aug 94

[Text] Hohhot, August 27 (XINHUA)—China plans to build the central part of the Inner Mongolia Autonomous Region into a large base of energy and basic industries.

Located in the area are Hohhot, the capital city of the autonomous region, Bautou, a major steel maker, and the Ih Ju League, a rising coal producer.

In the period of the Seventh Five-Year Plan (1986-1990), the central government started dozens of major projects in area.

Included were the Dalad power plant, the Gunggar and Dongsheng coalfields, and the Inner Mongolia fertilizer factory.

So far, an industrial network has been completed consisting of coal mining, power generating, iron smelting, rare-earth refining, engineering and textiles, amassing half of the fixed assets and employing 60 percent of the scientific research personnel of Inner Mongolia.

The total output of the area has reached 21.3 billion yuan annually.

By the end of the century, its capacity of coal mining is expected to reach 60.5 million tons a year, and the power generating capacity to reach 7.89 million kw.

Tianjin Passes Legislation To Support Economic Growth

OW2708043594 Beijing XINHUA in English 0321
GMT 27 Aug 94

[Text] Tianjin, August 27 (XINHUA)—This north China port city is quickening its pace of legislation to guarantee its economic development.

Since 1980 the Standing Committee of Tianjin Municipal People's Congress, the local legislature, has launched 76 local regulations, with 66 in effect now. Among them, 18 were launched during the past year.

In addition, 24 drafts of local regulations will come under discussion this year, 11 of which will concern economic construction.

Aiming to solve the problems which have occurred during economic development, the legislature formulates laws and regulations, while accumulating more legislative experience. These regulations are playing an important role in local economic growth.

Tianjin was China's first city to issue regulations for its economic development area and free trade zone, attracting thereby more foreign businessmen to invest there.

The legislature is also improving its method of legislation. It invites departments concerned to help draft the laws, in order to raise efficiency and quicken the pace of legislation.

Last year, for instance, the municipal government, the municipal people's congress and the Administration Commission of the Tianjin Free Trade Zone co-operated to draft regulations regarding administration of the free trade zone. It took only three months from drafting the regulations to adopting them.

Tianjin Procuratorial Departments Arrest 88

SK2908015394 Tianjin People's Radio in Mandarin
2300 GMT 27 Aug 94

[Text] During the recent anti-crime campaign, and in coordination with public security organs, procuratorial organs at all levels in the municipality dealt severe blows without leniency to ugly social phenomena, thus purifying the social atmosphere and creating a fine social climate for economic development.

Thus far, procuratorial organs at all levels in the municipality have approved the arrests of nine criminals involved in five cases of abducting and selling women and children; of 33 criminals involved in 26 cases of forcing, luring, and introducing others to engage in prostitution as well as privately manufacturing and spreading obscene material; and of 46 criminals involved in 26 cases of indulging in gambling as well as manufacturing, trafficking, and selling narcotics. These criminals have already been brought to people's courts at various levels for public prosecution.

When dealing with cases concerning these six vices, procuratorial organs at various levels have persisted in the principles of dealing blows to crimes as severely and promptly as possible, of strictly executing the law, and of positively handling cases; have conducted examinations and approvals as quickly as possible; and have instituted proceedings against legal offenders as quickly possible, thus accelerating the pace of handling cases.

Northeast Region

Heilongjiang, Shanghai Sign 20 Cooperative Projects

SK2608141994 Harbin Heilongjiang People's Radio
Network in Mandarin 1000 GMT 25 Aug 94

[Text] At the Huayuancun Guesthouse on the morning of 25 August, our province signed 20 agreements on

developing cooperative projects with Shanghai Municipality. Provincial leaders—including Yue Qifeng, Sun Weiben, Tian Fengshan, Cong Fukui, and Dai Moan—and Shanghai Municipal leaders Huang Ju and Meng Jianzhu, attended the signing ceremony.

These 20 projects include such trade as light industry, secondary light industry, and science and technology. The form of cooperation included fixed-brand production, cooperative management, investment, technical cooperation, technological transfer, and export of trained personnel. Most of these projects require a small investment, but yield quick returns. They are suited not only to local conditions, but also have a strong appeal to industrial and commercial circles in Shanghai. Furthermore, these projects also have vast prospects for creating foreign exchange through export.

Reporters Interview Heilongjiang Secretary

SK2608121394 Harbin Heilongjiang People's Radio
Network in Mandarin 1000 GMT 25 Aug 94

[Text] Yue Qifeng, secretary of the provincial party committee, gave an interview on 25 August to Hong Kong reporters. During the interview, he pointed out: Heilongjiang has a good foundation for development and much potential. Only by emancipating minds, correctly adopting ways, well utilizing cadres, and bringing into play the enthusiasm of various circles, will the province stand a good chance of accelerating development.

On the morning of 25 August, Yue Qifeng received and gave interviews to Hong Kong journalists, including Wang Guohua, director of TA KUNG PAO, and Jia Bin, deputy chief editor of TA KUNG PAO. He answered questions which interested the Hong Kong reporters. Attending the reception and interview were Shan Rongfan, deputy secretary of the provincial party committee; Wang Xianmin, member and secretary general of the provincial party standing committee; (Zeng Huichun), deputy secretary general of the provincial party standing committee; (Shen Xuntao), executive deputy director of the propaganda department under the provincial party committee; and (Wang Yuren), director of the foreign propaganda department under the provincial party committee.

During the interview, Yue Qifeng stated that he has worked in the province for three months and visited more than 20 counties in 14 prefectures and cities. His impression obtained during his visits is that Heilongjiang is a good place with vast territory and abundant natural resources. As a result of several decades of development following the PRC's founding, the province now possesses large oil fields and coal mines, an extensive machinery base, massive forests, and huge granaries which are playing a decisive role in economic development throughout the country. The province also turns out plenty of heroes. Over the past

several decades, the province has not only created tremendous material wealth and made tremendous contributions to national construction, but also fostered precious spiritual wealth such as the spirit displayed by the Great Northern Wilderness, the Daqing Oil Field, and Iron Man Wang Jinxi. It has exerted a great and important influence on the country as a whole. Presently, the land and the people are still contributing and offering sacrifices to the country as a whole.

Yue Qifeng stated: As of now, Heilongjiang has encountered some difficulties and problems in its development. An important reason for these difficulties and problems is that the province's implementation of a planned economic system was early, and its divorce from this system was late. Therefore, the most important task currently faced by Heilongjiang is to rid itself of planned economic systems as soon as possible and enter the market economy. To this end, it is imperative to emancipate minds and make use of Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics in order to change the mind and concept.

Yue Qifeng pointed out: To achieve development in natural resources, Heilongjiang must conduct secondary and deep-going development based on the primary development, and upgrade the technical content and added value of products. To succeed in conducting deep-going development, it is impossible for Heilongjiang to do the job by itself. Thus, it is necessary to make efforts to: 1) win over state support; 2) broaden opening up; cooperate with foreign countries and coastal developed regions in southeast China; and bring in their funds, technologies, and markets; and 3) arouse the masses through self reform so as to bring into play the enthusiasm of various circles. While conducting deep-going development, the province still has plenty to do in its primary development because it has plenty of unused mountains and hillsides, wasteland, and wilderness, all of which can be reclaimed into good forests, arable land, and pastures.

During the interview, Yue Qifeng said: In line with the province's industrial structure and economic pattern, it is imperative to open a second battlefield of economic development. This means all-out efforts should be made to vigorously develop township enterprises, the three types of foreign-funded enterprises, and non-state enterprises, including civilian-run scientific and technological enterprises as well as individual-run and privately-owned ones. Large and medium enterprises should also open a second battlefield for production and seek a diversified economy. Success in opening this battlefield will play a replenishing or supporting role to large and medium enterprises.

Yue Qifeng concluded with full confidence: Heilongjiang is full of promise if its mind is emancipated, its ways are correctly adopted, its cadres are well utilized, and its enthusiasm in various circles is brought into play. It is totally possible for the province to quadruple its GNP by the year of 2000.

Yichun Cable TV Station Begins Broadcasting 28 Aug

SK2908035594 Harbin Heilongjiang People's Radio Network in Mandarin 1000 GMT 28 Aug 94

[Text] The Yichun cable television station began trial broadcasting today. The station was established in March of this year with the approval of the provincial Radio and Television Department and the Ministry of Radio, Film, and Television. Presently, more than 50 km of trunk lines and branch lines have been erected, linked to more than 4,000 households. During the first stage, the cable television station will have the capacity to transmit 12 sets of television programs. During the trial broadcasting period, Yichun cable television station, in addition to using 11 channels to transmit 11 sets of programs from central Heilongjiang Provincial and other provincial and city broadcasting stations, will also prepare family theater, happy week-ends, peaceful hours, and other comprehensive programs.

Article on Making Rural Areas Prosperous

SK2608140894 Changchun JILIN RIBAO in Chinese 9 Aug pp 1, 3

[Article by He Zhukang, secretary of the Jilin provincial party committee, entitled: "Realistically Grasp Well the Major Task of Making Rural Areas Prosperous"]

[Text] In order to further deepen the recognition of the necessity and urgency of enabling rural areas to become prosperous, to study ways to accelerate the realization of this work, and to strive to attain the goal of basically making rural areas across the province prosperous in 1997, it is a meaningful matter for "JILIN RIBAO" to start a special column to discuss this special topic. I hope the cadres, masses, experts, and people from various circles, with a sense of historical responsibility and mission, will enthusiastically participate in the discussions and suggest ways and means for making rural areas prosperous.

Becoming prosperous is regarded as a new goal after the food and clothing problems in our country are solved, and is an important part of Deng Xiaoping's theory on building socialism with Chinese characteristics. Becoming prosperous means not only the rapid progress of economic and social development, but also the optimization of structures of economic and social development; it means that the living conditions of the masses will attain a new level, and the social productive forces will be further emancipated and developed. It reflects the objective demand of economic and social development at the present, as well as the fundamental interests of the Chinese people of all nationalities, and plays a guiding and encouraging role in accelerating the socialist modernization drive. Giving play to the objective of becoming prosperous and fully mobilizing the enthusiasm and creativity of the large numbers of cadres and masses are the essential content of building socialism

with Chinese characteristics. This is a matter which has a bearing on the overall development situation. To successfully carry out this task, we should give special attention to the issue of making rural areas prosperous. It is just like what comrade Jiang Zemin said: "Without the success of rural reform and the prosperity of the rural economy, it is impossible to carry out reform of the economic system in an all-round manner, to double the gross national product ahead of time, and to have this vigorous situation in our country today." Agriculture is the foundation of the national economy; the rural population accounts for the greater part in China. Only by raising the income level of peasants by a large margin can we fundamentally improve the income level of the entire country; only by increasing peasants' income and raising the rural purchasing power can we develop a larger market for urban industries and make the urban economy vigorous; only by ensuring a secure and happy life for peasants and enabling them to have ample food and clothing can we achieve economic and social stability throughout society; and only by enhancing the peasants' quality can we enhance the quality of the entire Chinese nation. Realization of the goal of making rural areas prosperous is closely related with the entire economic and social development, and constitutes a basis for making all of society prosperous. The agricultural population in Jilin Province accounts for 59.1 percent of the total population; the added value of agriculture accounts for 22.6 percent of the gross domestic product value; and the rate of grain commodities, the average per capita grain yield, as well as the grain export volume all rank first in our country. Thus, these show that Jilin has great development potential and has given more prominence to the significance of making rural areas prosperous. In order to accelerate the pace of building a developed border province near the sea in Jilin, and to try to gain strategic initiative, we should make up our minds, strengthen our confidence, and further mobilize to successfully carry out with unremitting efforts making rural areas prosperous.

According to the comprehensive estimate made by the provincial rural social and economic survey team in line with the 16 targets designed by the national statistical bureau on the standard of making rural areas prosperous, our province's comprehensive degree of achieving the prosperity goal was 68.33 percent in 1993, which means the progress of becoming prosperous in rural areas has exceeded two thirds. But there is only three more years left for us to attain the prosperity level by 1997, so it is a very arduous task. Particularly, there is a wider gap between the average per capita net income level and the quality of peasants' material consumption. It is not only a matter of decision, but also a matter of policy and thinking on how to catch up with the schedule and quality. In order to accurately organize and lead peasants to seek a prosperous life, we should proceed from reality, continuously broaden thinking, and perfect policy measures to form a development mechanism which is full of vigor. Presently, rural areas in Jilin are

facing an important period of transformation toward a socialist market economy; the transformation of economic operational forms will soon be completed, the regulation of economic structures will be adjusted, and the enhancement of economic quality will emerge. Of this, the main contradiction is that the mode of production with stronger natural economic characteristics and the unrelaxed market environment cannot adapt themselves to the demands of developing rural productive forces. During implementation this contradiction expresses the difficulties of linking agriculture, rural areas, and peasants with the market economy leading the urban industry and commerce. Therefore, on the one hand, we should accurately utilize market regulations and market orientation, should strengthen the organizational and guiding work for peasants, and should promote the overall development and rational utilization of rural essential production factors; on the other hand, we should strengthen the government's macroeconomic regulation and control and protect and support agriculture in an effort to create a relaxed environment for agriculture, rural areas, and peasants to enter the market. On the basis of increasing the peasants' income and guaranteeing the market supply of farm and sideline products, presently and for some time to come we should concentrate great efforts and do our best in the following aspects:

On the basis of stabilizing the family-based output-related land contracting responsibility system, and by enhancing the standardization level and publicizing and applying advanced scientific skills, we should raise labor productivity; lower productive costs; and promote high yield, fine quality, and highly efficient grain production.

We should fully utilize and tap the potential of various rural resources, devote major efforts to developing a diversified economy and township enterprise, tap new sources of production, and develop a courtyard economy so as to enhance the utilization level of the rural labor force. We should actively develop and utilize the mode of production which makes companies bring along the bases and makes the bases bring along peasant households, and should enhance the specialized and intensive level of the rural economy. We should pay special attention to this.

We should perfect the rural market system. We should do a good job in linking agriculture with industry, rural areas with urban areas, and peasants with the market; should reduce the circulation links of agricultural means of production; should expand exchanges between cities and townships; should accelerate the progress of integrating the urban and rural economies; and should broaden the space for rural development.

We should develop the shareholding cooperative system, strengthen the rural collective economy, and heighten the rural economy's self-protecting ability.

We should strengthen the construction of the rural spiritual civilization. We should successfully carry out

vocational and technical education; implement the "green-certificate project"; develop rural technical personnel at various layers and through various forms; strengthen the peasants' ability to become prosperous through labor and science and technology; and enhance the management level. We should apply the forms which peasants love to see and hear to strengthening rural ideological and cultural construction so as to comprehensively enhance the peasants' quality and the quality of their spiritual life.

We should successfully carry out the construction of rural grass-roots organizations, study the new experience in party building in rural areas, and strengthen the cohesion of party branches.

The above-mentioned aspects are not only the basic summary of the rural development experience in our province, but also problems which should be further studied, perfected, and developed during implementation. We should regard socialism with Chinese characteristics as guidance, and the abundant practice of comprehensively developing the rural economy as a basis; we should deeply study and probe into these problems in an effort to raise rural development to new levels, and implement the goal of becoming prosperous three years ahead of time in places where it is needed.

The goal of making rural areas prosperous is not only a matter of the rural areas themselves, but also the responsibility of various departments and even all of society. Hence, efforts should be made to mobilize the entire province; boost the enthusiasm of all sectors; create an atmosphere that everyone cares about, pays attention to, and supports; and do a good job in fighting this general war. We should make concerted forces to promote the progress of making rural areas prosperous. Districts and departments at all levels across the province should deeply discuss, give play to their functional role, and strengthen the consciousness of serving peasants, agriculture, and rural development. Relevant departments should strengthen guidance and coordination in making rural areas prosperous, should do a good job in planning, should conduct research in each and every county and in each and every village, and should implement the plans in all households. In line with local conditions, we should provide different guidance for different cases. In addition to paying attention to the impetus role of concentrating on the development of large tracts of land, we should also give play to various dynamic roles of rural households. It is necessary to strengthen the construction of water conservancy, communications, and other infrastructure facilities, and strive to improve rural production conditions. We should give play to the impetus effect of cities and small towns, and should strengthen their influence. We should continue to actively develop activities which support agriculture with science and technology. By means of opening technical markets, signing technical contracts, establishing associations, giving technical guidance, and training qualified personnel, efforts should be made to fully mobilize the

enthusiasm of technical personnel, scientific research units, universities, and colleges, and to encourage and support qualified personnel of various fields to move toward the main economic battlefield in an effort to serve the work of making rural areas prosperous. Party committees at all levels should not stick to one pattern while selecting wise and competent personnel. They should transfer to leading posts those outstanding and capable ones who can take the lead in becoming prosperous, and strive to cultivate a contingent of rural cadres who are good in ideology and work style, who understand technology, and who are good managers. These are the problems which should be continuously implemented and deeply studied.

In brief, it is a major matter to make rural areas prosperous. I believe various circles across the province, particularly agriculture-related departments and the broad masses of rural workers, will actively participate in this discussion. By conducting in-depth discussions, promoting common understanding, and exploring work ideas, rural work in our province will definitely leap to a new stage and the goal of becoming prosperous will certainly be attained three years ahead of time.

Ethnic Koreans in Jilin 'Prefer' Having Fewer Children

OW2808093394 Beijing XINHUA in English 0749
GMT 28 Aug 94

[Text] Changchun, August 26 (XINHUA)—People in the Korean ethnic group in Yanbian Korean Nationality Autonomous Prefecture in northeast China's Jilin Province prefer to have fewer children than before.

More than 90 percent of the young parents in the prefecture prefer to have only one child, a survey indicated. They can have more according to the State Family Planning Policy.

"People in this prefecture have a higher level of education and they travel a lot," said Cui Changlai, director of the prefectural family planning committee. "Both factors have changed their ideas on birth control."

In the past four years, the prefecture's natural population growth rate and the birthrate were 6.69 per thousand and 12.58 percent respectively, both much lower than the national figures.

Cui said that the prefecture has long stressed the importance of education. Primary schooling has been made universal in Yanbian, where there are 310 college graduates in every 10,000 people, 2.14 times the national average.

Bordering the Democratic People's Republic of Korea and Russia, Yanbian has become one of the richest prefectures in the province through border trade and labor export. Last year, more than 4,800 people sought jobs abroad. Local bank deposits of foreign currency reached 57.80 million U.S. dollars.

"To have one more child means I would have to sacrifice at least five years of making money," said Yi Shuzhen, a woman of the Korean ethnic group in Dongcheng township in Helong County. "My living standard would then be lower than my neighbors. So I am adopting the one-child idea."

Jilin Strengthens Film Production With Foreign Partners

OW2808150494 Beijing XINHUA in English 1435
GMT 28 Aug 94

[Text] Changchun, August 28 (XINHUA)—China will strengthen the administration on coproduction of films with overseas partners, according to sources at a film festival in this capital of northeast China's Jilin Province.

The Ministry of Radio, Film and Television (MRFT) has recently put into effect an regulation on the management of coproduction of films by Chinese and foreign producers.

It is an effort to enliven China's movie industry, improve international cultural exchanges and protect legitimate rights and interests of both Chinese and overseas producers, Chinese officials said.

Films coproduced by Chinese and overseas partners now account for about one-fifth of China's annual film output. Last year China turned out 160 feature films, 42 of which were joint products. Fifteen out the 56 films produced so far this year were jointly made.

Coproduction of films introduces to China funds as well expertise of film making, according to Teng Jingxian, director of the Film Administration Bureau under the MRFT. It will also help China to market more movies internationally, he added.

The new regulation aims at standardizing and ensuring the healthy development of coproduction, the director said.

Sources at the film festival said that some movies jointly made by Chinese and overseas producers in the past few years were of poor quality. Many of them were made of the same mold, they said.

According to the newly issued regulation, coproduction of feature films or documentaries must be approved in advance by the MRFT which issues licences.

The regulation also stipulates that coproduction must be conducted in line with Chinese laws, conducive to the promotion of China's traditional culture as well as China's economic construction and stability and not hamper the interests of any third country.

The films will be allowed to put on in China or exported only after they are examined and approved by the Chinese film administration departments, the regulation says.

Harbin Renames Economic, Technological Cooperative

SK2608130694 Harbin Heilongjiang People's Radio
Network in Mandarin 1000 GMT 25 Aug 94

[Text] The International Economic and Technological Cooperation Company in northeast China and the Inner Mongolia Coal Industrial Group stationed in Harbin have been renamed the China Coal International Economic and Technological Cooperative Company as of today. Han Ying, vice minister of the coal industry, and Assistant Governor Xu Yandong, attended the renaming ceremony.

The company was established in Harbin 10 years ago. At that time, the company mainly dealt with the construction of domestic coal mines. It has now obtained the right to do business with foreign countries and enter international markets. As the state's first-grade enterprise for contracting projects, this company has made considerable progress in opening up markets in Russia and Southeast Asia, in domestic real estate development, in industrial development, in cooperative projects, and in domestic trade.

At today's ceremony, company general manager (Li Yanzhang) expressed that in the days to come the company will follow the development path of turning itself into an industrialized and internationalized enterprise group dealing with various businesses, and will give play to the advantages of the group and extensively participate in market competition for such construction and development projects as coal mines, bridges, roads, and tunnels. Based on Harbin's condition, the company will establish a number of wholly-owned, jointly-invested, cooperative industrial units; will emphasize coal industry while diversifying the economy; will strengthen the ability to withstand the storms on the market; and will gradually build itself into a trans-country company with international cooperation as the main job and domestic industries as the basis, one that deals with various businesses.

Liaoning Province Establishes Local Tax Bureau

SK2908042994 Shenyang LIAONING RIBAO in
Chinese 17 Aug 94 p 1

[Text] The province proclaimed the establishment of a local tax bureau on 11 August. Relevant provincial leaders proceeded to the bureau to extend their greetings. Vice Governor Xiao Zuofu made a speech.

The province's local tax bureau is under the leadership of the provincial government and the State Tax Bureau; it carries out a management system dominated by the direct leadership of the provincial government. The bureau plays an extremely important role in promoting and accelerating economic development, reasonably dividing powers, balancing the distribution relationship, and standardizing the distribution pattern. The establishment of the local tax bureau indicates that our

province has entered a new tax collection period. The local tax bureau in is charge of collecting business taxes; individual income taxes; land value added taxes; taxes for city maintenance and construction; taxes for regulating the orientation of investment in fixed assets; income taxes of local enterprises; stamp taxes; banquet taxes; inheritance taxes; taxes on gifts; additional charges for educational use collected according to a fixed proportion of local business taxes to be paid; fines for delaying payment of local taxes; agricultural taxes; taxes for rural special products; taxes for occupying cultivated areas; taxes on contracts; and new categories of state-assigned local taxes. The revenues collected by the local tax bureau account for approximately 40 percent of the province's total revenue.

Liaoning's Achievements Cited in Using World Bank Loans

SK2908061494 Shenyang LIAONING RIBAO in Chinese 17 Aug 94 p 2

[Excerpts] It has been 10 years since financial departments at various levels across the province began using loans granted to them by the World Bank. Over the past 10 years, the amount of World Bank loans used by our province have tended to increase, the spheres of the loans have tended to be expanded, and the cooperation between our province and the World Bank has become increasingly close.

Up until now, our province has 22 projects funded by loans granted by the World Bank or to be granted by the bank within this year. The loans total \$620.33 million if calculated in terms of the current exchange rate (this is converted into 5,396.87 million yuan Renminbi). The World Bank has forcefully supported our province's social and economic development by providing such loans. As of now, 11 projects have been completed. [passage omitted]

The year 1994 is key to using World Bank loans. Three projects financed with World Bank loans will begin. The first is the Liaoning overall agricultural development project. Total investment is 1.48 billion yuan, of which \$85 million is from a World Bank loan. The second is the Liaoning environment project. Total investment is 2.1 billion yuan, including \$110 million in World Bank loans. The third is the Shenyang industrial project. This project is to use \$175 million in World Bank loans, and is to technologically transform the machine tool industry on a large scale and improve the environment.

Liaoning, Central Bank Crack Case of Forged Banknotes

SK2908064294 Shenyang LIAONING RIBAO in Chinese 21 Aug 94 p 1

[Text] Thanks to the close cooperation of the security departments, the Jianping branch of the People's Bank of China discovered a 100-yuan forged bill, and thus cracked a major case of forged banknotes the likes of

which has rarely been seen in Chaoyang. In total, 46 100-yuan forged bills were investigated. Criminal Xie Sibin, 19 years old, has been taken into custody by the security organs for examination.

About 0800 on 10 August, a young man entered a shop in Yebaishou in Jianping County and wanted to buy a pack of cigarettes with a 100-yuan bill. The shop employees became suspicious. While they tried every possible means to reassure this man, they immediately sent persons to the county branch of the People's Bank of China to examine the bill. After acknowledging that the bill was a forgery, they immediately reported the incident to the county security department. Together with security personnel, the county bank discovered 46 1980-edition 100-yuan forged bills at the criminal's home.

Northwest Region

Afforestation of North Produces Economic Benefits

OW2808030794 Beijing XINHUA in English 0233 GMT 28 Aug 94

[Text] Yinchuan, August 28 (XINHUA)—Some 32.6 million mu (two million ha [hectares]) of economic forests have been planted in northern China over the past 15 years, bringing about an annual income of more than six billion yuan (about 700 million U.S. dollars).

The forests are part of a shelterbelt planted across north, northeast and northwest China since 1978. It is aimed at protecting the arable land in 13 provinces and autonomous regions from sandstorms, soil erosion, floods and drought.

In the past few years local governments attached more importance to economic benefits. As a result, economic forests have come to account for 15 percent of the shelterbelt, compared with only three percent in the past.

Moreover, 2,658 forest-related industrial projects were developed, and this realized an annual income of over 600 million yuan.

The economic benefits, in turn, have accelerated the pace of the shelterbelt building program.

Southeastern Gansu Makes Progress in Afforestation

OW2908060194 Beijing XINHUA in English 0446 GMT 29 Aug 94

[Text] Lanzhou, August 29 (XINHUA)—A densely-wooded forest belt, 800 km long, has taken shape in the southeastern part of northwest China's Gansu Province, thanks to painstaking efforts of more than three decades by workers of local forest farms and residents.

The Xiaolong mountain forest belt, which covers eight counties in Tianshui, Longnan and Dingxi Prefectures, has now been built into one of China's largest state-owned forest bases.

The Xiaolong Mountain Experimental Forest Bureau, the administrative organization for the state-owned farms, was established in 1962 with the aim of finding ways for growing secondary forests.

Over the past three decades, local forest workers have planted about 193,333 hectares of trees, bringing the volume of timber reserves to 28.69 million cu m [cubic meters].

The forest farms have also cooperated with the Academy of Forestry Sciences and provincial scientific research institutes and worked out a set of sophisticated techniques for growing secondary forests.

At the same time, the state forest farms have also adopted a series of measures to encourage residents living around the farms to support the afforestation drive.

Relying on the rich resources in the locality, the Xiaolong bureau has expanded its operational scope from single tree-planting to diversified economic businesses, ranging from timber processing, animal breeding, tourism and transport to food processing.

Gansu's Yan Haiwang Departs for France, Portugal

OW2808051494 Beijing XINHUA in English 0259
GMT 28 Aug 94

[Text] Beijing, August 28 (XINHUA)—Yan Haiwang, alternate member of the Communist Party of China (CPC) Central Committee and secretary of the CPC Gansu Provincial Committee, left here today for Portugal and France as a CPC representative to attend the festival of the party newspapers of the Communist Party of Portugal and the Communist Party of France upon invitation.

Fourth Art Festival Boosts Gansu Economy

OW2708153494 Beijing XINHUA in English 1515
GMT 27 Aug 94

[Text] Lanzhou, August 27 (XINHUA)—A series of economic and trade activities held during China's Fourth Art Festival has come to a close.

The festival was held in this capital of northwest China's Gansu Province.

According to the organizing committee of the festival, the total contracted value during the festival topped one billion yuan (about 115 million U.S. dollars).

During the festival, exhibitions and trade talks were held concerning foreign economy and trade, new achievements in science and technology, agricultural and non-staple products, and local industrial products and materials.

Up to 10,000 kinds of products from some 2,000 enterprises were involved in the exhibitions and trade talks, which were visited by more than 8,500 business people from China and abroad.

Chinese foreign trading companies and export-oriented enterprises promoted some 5,000 brand-new and high-quality commodities in ten categories and over 300 projects.

Four special tourism programs were offered to visitors to the festival.

Gansu's Lanzhou Foreign Trade Fair Ends

OW2708094694 Beijing XINHUA in English 0835
GMT 27 Aug 94

[Text] Lanzhou, August 27 (XINHUA)—The Lanzhou foreign economic and trade fair closed today in Lanzhou, capital city of northwest China's Gansu Province, with a transaction volume of 89.53 million U.S. dollars.

The trade volume came to 19.18 million U.S. dollars and the volume of economic cooperation projects hit 70.35 million U.S. dollars.

More than 150 overseas business people from 13 countries and regions throughout the world, including Japan, the United States, Thailand, the Republic of Korea, France, Singapore, Hong Kong and Taiwan, took part in the fair, the biggest of the sort held in the province on the occasion of the on-going fourth China art festival.

Gansu Province Finds Success Attracting Tourists

OW2608114294 Beijing XINHUA in English 0913
GMT 26 Aug 94

[Text] Lanzhou, August 26 (XINHUA)—Over 480,000 overseas tourists have visited northwest China's Gansu Province in the past 15 years, spending some 144 million U.S. dollars.

As an important passage along the ancient silk road, Gansu has developed many attractive tourist routes including those to the Dunhuang Mogao grottoes, Crescent Moon lake, the western end of the Great Wall, and local glacial spots.

Coordinating with the fourth China Art Festival being held in this capital of Gansu, the province set up five hot lines for tourists, along with appointing 39 hotels to provide services including tour guides.

Having developed some 320 tourist sites in the past few years, the province now has 92 travel services, which have set up links with more than 60 overseas counterparts.

Transportation to the province has also been improved.

Shaanxi Region Attracts Foreign Investment

OW2808091494 Beijing XINHUA in English 0759
GMT 28 Aug 94

[Text] Lanzhou, August 28 (XINHUA)—The Dingxi region in northwest China's Shaanxi Province, which is

one of the poorest regions in the country, has set up 10 foreign-funded enterprises involving a total overseas investment of three million U.S. dollars in the past few years.

The enterprises, covering sectors of garments, foodstuffs and traditional Chinese medicine processing, have used investment from Russia, Singapore, Malaysia, Britain, Hong Kong and Taiwan.

People in Dingxi, which is located on the Loess Plateau and has long been threatened by soil erosion, did not have enough food and clothing until 1982. Since then, the country has given special financial support to the region.

With preferential state policies, the region strived to improve local infrastructural facilities so as to attract investment.

The Wenfeng Township Economic Development Zone alone has approved 92 projects with a total investment of 193 million yuan (about 20 million U.S. dollars).

Twenty of those projects are operational and produce an added annual output value of 1.1 million yuan.

Shaanxi Province Has Difficulty Paying Wages

HK2908045694 Hong Kong SOUTH CHINA
MORNING POST in English 29 Aug 94 p 6

[By Irene So, recently in Wugong County, Shaanxi Province]

[Text] Don't ask Dong Jiwen, the head of Wugong County in Shaanxi Province, about his pay increase this year. It never came. Mr Dong is just one of the thousands of county heads in impoverished provinces like Shaanxi, Gansu, Anhui, and Sichuan where the governments have difficulty keeping people from starving, never mind paying wages.

Although Mr Dong was promised last year that his monthly salary would rise to about 400 yuan (HK\$360), the cash-strapped local government simply could not afford it and continued to pay him his old salary of 270 yuan a month.

The shortage of capital did not only result in smaller pay packets for local senior cadres like Mr Dong, but chronic poverty for the population. Development projects like telephones and roads are often delayed year after year because the governments cannot obtain the necessary financing. At the same time, funding from the central government was often just a drop in the ocean compared to the problems.

In Luochuan County, which is about a five-hour drive from the capital Xian, long-distance telephone calls to other parts of the province were cut off after the local government failed to pay its bills. "Now we can only provide two phone lines for thousands of villagers to make outside calls," a cadre at the local post office said.

As telephone fees constituted the main source of income for the local post office, the communication problem was unlikely to go away as the local people there earned as little as 200 yuan a year.

In some remote villages in Sichuan—the most populous province in China—building a reservoir to solve the water supply problem could be a lifetime mission. Chen Siaoqun, the head of Meidong Town, in Changning County, said: "We need only 30,000 yuan to build it (the reservoir) but we just don't have the money." Without a reservoir, the 40 families who live on the mountain there have an hour's walk every day to fetch clean drinking water.

They have waited for three years for the money. The county cannot provide funding and the central government only subsidise them (the villagers) by about 40 yuan each a month. Moreover, the Government "occasionally" had problems paying the cadres like Ms Chen, who earns about 400 yuan a month.

In Muchan County, 300 kilometres from Changning, the county vice Magistrate Luo Demin said they lacked 30 million yuan to improve 200 km of rocky roads to boost transportation for thousands of villagers who live in the mountains.

According to a senior official of the Shaanxi Civic Affairs Department, the only way to eliminate poverty in these areas is to pump in millions of yuan to improve transport and other infrastructure so the locals can get rich by developing the coal resources in the area.

Shaanxi Court Orders Execution of Tomb Thief, Murderer

OW2708052694 Beijing XINHUA Domestic Service in
Chinese 0722 GMT 26 Aug 94

[By XINHUA reporter Wang Zhaolin (3769 0340 7792) and SHAANXI RIBAO reporter Wang Wenge (3769 2429 7041)]

[Text] Xian, 26 Aug (XINHUA)—The Weicheng District People's Court in Shaanxi's Xianyang City recently held a public trial and sentenced criminal Chen Yuliang, a tomb thief who intentionally killed people when summoned by public security personnel, to death. Twenty-one criminals who excavated and stole relics from West Han Dynasty imperial mausoleums and other ancient tombs and sold stolen cultural relics were sentenced to prison terms of various lengths ranging from 13 to 1.5 years. Han Xiaohong, who surrendered to authorities after committing the offense and redeemed his crime by cooperating with the police, was exempted from punishment and released on the spot.

On the evening of 21 April last year, when five officers of the Yaocheng Police Substation of the Weicheng Public Security Subbureau went to peasant Chen Yuliang's house in Ximao Village, Yaodian Township in Weicheng District to summon him to the police substation in

connection with an ancient tomb theft case, Chen Yuliang wielded a kitchen knife and slashed public security police officer Chen Zhijin's head several times. When another officer, Li Li, fired a warning shot, Chen Yuliang violently attacked Li with the kitchen knife until other police officers entered the housing compound and fired more warning shots to force Chen Yuliang to stop. As a result, Chen Zhijin was seriously wounded and permanently disabled, while Li Li sustained minor injuries.

The Xianyang City Intermediate Court's verdict pointed out: Chen Yuliang's behavior constituted the crime of intentional murder, and the charge filed by the Weicheng District Procuratorate was tenable. Chen, who committed heinous offenses and caused grave harm and serious social repercussions, was sentenced to death and deprived of political rights for life in accordance with the provisions of the Criminal Law. Criminal Chen refused to accept the verdict and appealed. The appeal was rejected by the Shaanxi Provincial Higher Court, which upheld the verdict. Chen was executed after the public trial.

Qiu Cunde and 21 other criminals involved in eight cases of stealing relics from the West Han Dynasty Hui Di, Jing Di and Yuan Di Mausoleums and other ancient tombs of the Han and Tang Dynasties and who sold the stolen cultural relics were sentence to prison terms of various lengths.

Report Predicts 'Bumper Harvest' in Xinjiang

OW2808014294 Beijing XINHUA in English 0022
GMT 28 Aug 94

[Text] Urumqi, August 28 (XINHUA)—Northwest China's Xinjiang Uygur Autonomous Region expects to reap a bumper harvest for the 17th year in succession this year, thanks to efforts to combat natural disasters.

Local government sources said that the region has suffered a series of disasters so far this year, including heavy snowfalls, drought, pests and floods, bringing about losses totalling at least 0.7 billion yuan (about 82 million U.S. dollars).

Nevertheless, with a crop acreage of 74,000 ha [hectares], the total cotton output is expected to reach 750,000 tons this year, compared with last year's 690,000 tons.

And the total grain output is expected to hit 7.16 million tons.

The sources said that the output value of township enterprises is increasing by 70 percent per month.

After deducting price rises, Xinjiang peasants will receive an additional income of about 100 yuan from the harvest this year, the sources said.

RENMIN RIBAO Views Taiwan 'One China' Stance*HK2608144094 Beijing RENMIN RIBAO in Chinese
19 Aug 94 p 10*

[By Shen Shen (3847 3769 left and 3947 right): "A Tendency Worthy of Serious Vigilance—Commenting on Qualitative Change By the Taiwan Authorities in the 'One China' Issue"]

[Text] In recent years, while compatriots on both sides of the strait have been working for the development of cross-strait relations, the Taiwan authorities have undergone a serious qualitative change in their "one China" stance. Upholding the "one China" principle is the most basic prerequisite of developing cross-strait relations and realizing peaceful reunification. Forsaking the principle and creating "two reciprocal political entities," "two Chinas" or "one China, one Taiwan" is bound to bring about serious harm to the great cause of the reunification of the motherland. Therefore, it cannot but attract the great concern of the people on both sides of the strait and of all persons who are concerned about China's reunification.

I.

It takes more than one cold day for the river to freeze three feet deep. When it comes to the major qualitative change the Taiwan authorities have undergone in their position on the "one China" issue, there are some indications to follow.

In March 1989, when Lin Yu-hsiang from the Kuomintang [KMT], a "member of the Legislative Yuan elected through by-election," asked a question in Taiwan's "Legislative Yuan," he put forward the "one China, two governments" concept, advocating positioning cross-strait relations by the concept of "one country, one nation, two reciprocal governments." Some very important politicians in the Taiwan authorities swiftly affirmed and praised the concept. At that time, because the concept was of the nature of a tremendous "breakthrough," nature and involved such important issues as the "structure of mobilization for suppression of Communist rebellion" and shaking the so-called "legally constituted authority of the Republic of China," the moment the concept had only just been heatedly discussed, the heat was immediately turned down. Some public opinion makers pointed out: As early as the 1970's, the "one country, two governments" argument had emerged and, later, it was raised again. Undoubtedly, it is the "trial balloon" for the direction of the Taiwan authorities' policy in the days to come and "striving for a reciprocal government in the international community will definitely be their future policy."

Just as expected, in February 1991, in their "program for national reunification," the Taiwan authorities adopted for the first time the formulation of "not negating the other party as a political entity." Following the concept

of "one country, two governments," the advocacy of "one country, two reciprocal political entities" was floated. At the end of April, the Taiwan authorities formally declared the termination of the so-called "Period of Communist Rebellion" and indicated that they would "regard Communist China as a political entity controlling the mainland area and call its leaders the Communist authorities or the mainland authorities." Later on, the Taiwan authorities further propagated the following viewpoints: Reunification is a long process and its objective condition is the "formation of two reciprocal political entities in the international community"; "it is not easy for two governments to achieve unity and the framework of reciprocal political entities should be established before others"; "Taiwan is a state with independent sovereignty and its name is the Republic of China"; in this regard, although the Taiwan authorities still admit that "there is only one China and China must be reunited," the transition of their demand from "not negating" to "recognizing" Taiwan as a reciprocal political entity, and their further advocacy of "establishing the framework of a reciprocal political entity," show that their mainland policy has in fact changed toward "two Chinas."

In March 1992, when holding consultations with the Association for Relations Across the Taiwan Strait [ARATS], the Taiwan-based Strait Exchange Foundation [SEF] opposed the inclusion into an agreement of the words which carried meanings such as that the "one China" principle should be upheld in the business-like discussions of cross-strait affairs and that the affairs the SEF and ARATS are handling are "China's internal affairs." This revealed that the Taiwan authorities were readjusting their "one China" position. Soon afterwards, the Taiwan authorities began studying the so-called connotation of "one China" in an attempt to interpret "one China" as "historical, geographical, national, and cultural China," preached "division and separate administration," and advocated "freezing or suspending" China's sovereignty so as to make the "one China" principle completely devoid of content. On 1 August of the same year, Taiwan's "Council for National Reunification" reached a formal conclusion on the connotation of "one China," asserting that "one China" refers to "the Republic of China, which has existed since its founding in 1921, with its sovereignty spreading to the whole of China." At the same time, it especially stressed that "China is temporarily in a state of division and both sides of the strait are ruled by two political entities" and "the current administration of the Republic of China just reaches Taiwan, the Penghu Islands, Jinmen, and Mazu." During the last 10 days of August, after the ROK severed diplomatic relations with Taiwan, openly chiming in with the Democratic Progressive Party, Chen Che-nan, "KMT member of the Legislative Yuan" and others advocated "one China, one Taiwan" and urged the scrapping of the "one China" policy. In November, while discussing the issue of punishing Chen Che-nan, the KMT maintained that "one China" should not be

upheld blindly and the erroneous ideological trend of "self-imposition of restrictions" had spread rampantly.

Since the beginning of last year, the Taiwan authorities have wantonly carried out activities to "join the United Nations" and openly created "two Chinas" in the international community, thus backtracking even more from their "one China" stand. A certain person in the Taiwan authorities claimed that he "maintained that the Republic of China had never said in Taiwan that there is one China" and "if we say, in a summary fashion, that there is one China, we will fall into the trap laid by Communist China." After the plot to join the United Nations fell through, some people claimed that "we should no longer talk about one China. Otherwise, we would put a stranglehold on ourselves." "The reality of China today is division" and Taiwan's "goal of pursuing an independent political entity will never change." On 21 November, based on the document previously drafted by the Ministry of Foreign Affairs, an official from Taiwan's Ministry of Economic Affairs said in the United States that "The Republic of China and the PRC are two sovereign states, neither subordinate to the other. Taipei pursues a phased two-China policy oriented toward 'one China.'" Thus, he openly flaunted the banner of "two Chinas."

The Taiwan authorities issued the "Statement on Relations Between the Two Sides of the Taiwan Strait" in early July. While reiterating that we "firmly stand for 'one China' and oppose 'two Chinas' and 'one China, one Taiwan,'" the authorities asserted that "one China" refers to "historical, geographical, cultural, and consanguineous China." Here, "one China" is regarded merely as an objective to be achieved in future. They stressed that "the two sides of the strait are split and administered separately" and the relations between the two sides of the strait are those between "two reciprocal political entities," "with each enjoying the power of domination" and between "two coexisting international legal persons" in the international community. This means, in fact, negating the "one China" principle and, in substance, creating "two Chinas" or "one China, one Taiwan."

II.

From what we have mentioned above, we can see that there is a clear thread of thought on the Taiwan authorities' qualitative change on the "one China" issue. The reasons the Taiwan authorities have increasingly openly created two Chinas are multifaceted. There are subjective and objective, as well as internal and external, factors.

First, after China put forward the principle of "peaceful reunification and one country, two systems," the Taiwan authorities still clung stubbornly to the position of "opposition to Communism and rejection of peace negotiations," claiming that the "one country, two systems" principle was designed to dwarf Taiwan and, therefore, definitely unacceptable. They pursued a policy of "no negotiations, no compromise, and no contact," or a

"three no's" policy, in an attempt to maintain the status quo and put off reunification. However the prerequisite of maintaining the status quo is Taiwan's "existence and development" and, for this, the Taiwan authorities have always sought a way out. The Taiwan authorities are "greatly interested" in the German model and have repeatedly said that the German model had an "enlightenment nature" and "reference significance." They maintained that the way East and West Germany handled their relations with the "one nation, two countries" and joined the United Nations was the best way for Taiwan to maintain its "existence and development" and, thus, it was worthy of emulation. This shows that the Taiwan authorities' subjective intention of turning the relations between the two sides of the strait into those between two countries.

Second, the Taiwan authorities have always pursued "flexible and practical diplomacy" based on a "money offensive" for many years, in an attempt to expand the so-called "international space to survive [guo ji sheng cun kong jian 0948 7139 3932 1317 4500 7035] and strive for recognition by the international community of Taiwan as being an "independent political entity." However, because our government has always upheld the solemn and just stand asserting that "there is only one China and Taiwan is part of China," the international community and the United Nations have universally pursued a "one China" policy. It is difficult for the plot by the Taiwan authorities to succeed. Therefore, they need to seek a new theoretical basis. Some KMT members advocated "interpreting one China" with the "theory of split countries" and claimed that "Taiwan has, in fact, already become independent" and at present, there exists "a split China and two sovereign countries of separate administrations." They favored positioning the relations between the two sides of the strait with "one China, one Taiwan" or "two Chinas." Under these circumstances, the Taiwan authorities put forward the so-called argument of "opposing new isolationism," asserting that the "one China" restrictions should be thrown off and the signal of "two Chinas" should be clearly flashed to the international community and let the argument serve as the basis on which the policy of "joining the United Nations" and expanding "the international space to survive" was formulated.

Third, the Taiwan authorities' change in their "one China" stand has a profound international backdrop. In July 1991, James Lilley, former U.S. ambassador to China, dished out the so-called theory on the "reinterpretation of sovereignty," asserting that the traditional concept of sovereignty had undergone a change and that "human rights are above sovereignty." He attacked China's concept of "one country, two systems" as the expression of the "rigid and outmoded outlook on sovereignty." As if they had found treasure, the Taiwan authorities claimed that concepts such as "race, sovereignty, nationalism, and reunification" should also be "reconsidered." They wantonly negated China's sovereignty over Taiwan in the name of "sovereignty being in

the hands of the people" and termed the Taiwan authorities' control over Taiwan, the Penghu Islands, Jinmen, and Mazu as that "in Taiwan, the Republic of China is a democratic and independent sovereign state." Out of such absurd logic, which was generated by the "new outlook on sovereignty," the Taiwan authorities developed a series of propositions preaching "two Chinas."

Fourth, the Taiwan authorities' gradual forsaking of the "one China" principle is inseparable from the development and changes caused by the political struggle within the KMT. With the introduction of Taiwan's "institutional reform" and the convention from the 14th KMT National Congress, a major change has taken place in the power structure of the Taiwan authorities and the KMT. The sense of identification of the Chinese nation has been diluted and replaced with such views as "the interests of Taiwan being put first" and the "community of life [sheng ming gong tong di 3932 0730 0364 0681 7555]." The sense of division has raised its head again, thus expanding and revealing itself. What dared not and could not be uttered in the past out of political needs have now come out, one after another. Therefore, it is not strange to see that there is a splitting trend and the "one China" principle has been forsaken.

III.

As everybody knows, the state of the two sides of the strait having not yet been reunited is the result of the prolonged rejection of reunification by the KMT group, whose remnant forces retreated to Taiwan after its rule of the whole of China was overthrown, under the "protection" of foreign forces. China's state sovereignty was inherited by the central government of the PRC beginning in 1949. Unlike Germany, which was divided into two sovereign states after World War II, China has always been unified. This is a fact which is not only generally acknowledged by the majority of the Chinese people but also universally recognized by the international community. The Taiwan authorities stressed that "the two sides of the strait are split and administered separately" and proceeded to negate China's sovereignty over Taiwan. This is completely out of keeping with the facts. Moreover, in international law, the state and sovereignty are inseparable and state sovereignty is indivisible. The Taiwan authorities have disregarded the facts and common sense and positioned the relations between the two sides of the strait as "two reciprocal political entities" and as "two coexisting international legal persons" in the international community, thus deviating from the "one China" principle and creating "two Chinas." This is bound to bring about extreme harm to the development of cross-strait relations and the realization of peaceful reunification.

The "one China" principle is the most basic prerequisite of realizing the peaceful reunification of the two sides of the strait. Forsaking the principle, turning the relations between two sides of the strait, which go to the category of internal affairs of a state, into those between two

countries, and dividing China's unified state sovereignty into two will result in the division of national territory. This runs counter to the goal of the reunification of the motherland. It is unacceptable to the Chinese on both sides of the strait.

The "one China" principle is the foundation on which mutual understanding is built among compatriots on both sides of the strait. Deviating from the "one China" principle, striving for the so-called "dual recognition," and "joining the United Nations" constitute a splitting act in a vain attempt to "internationalize" the Taiwan issue. It will surely disrupt and worsen the relaxed atmosphere fostered by the people on both sides of the strait over dozens of years. Not only is there no way to foster mutual faith and achieve a consensus of understanding but the act will also tremendously disturb cross-strait relations. This is not in conformity with the fundamental interests and desires of the people on both sides of the strait.

Forsaking the "one China" principle, dividing China's state sovereignty, and even advertising the founding of "a state of the Taiwan people" is bound to stimulate the emergence of the forces for "Taiwan independence." Recently, some "Taiwan independence" elements applauded some splittist statements made by the Taiwan authorities, made preparations for the so-called "second people's constitutional conference," and openly collected contributions on "Taiwan's national emblem, flag, and anthem." They were swollen with arrogance. This is precisely the result of the Taiwan authorities' forsaking the "one China" principle and appeasing and conniving at "Taiwan independence." The Chinese have the glorious tradition of safeguarding national unification. A unified, prosperous, and powerful China is the objective the Chinese people strive to attain, generation after generation. There is only one China in the world and this is the consensus of the entire Chinese people. Taiwan is an indivisible part of Chinese territory and its status is clear and unchangeable. It is our hope that the Taiwan authorities will get a clear understanding of the situation, face reality, genuinely put their openly declared statement of "firmly standing for 'one China'" into practice, oppose "two Chinas" and "one China, one Taiwan," and take practical measures and steps to promote cross-strait relations and peaceful reunification. Should the Taiwan authorities really do that, it will be well received by compatriots on both sides of the strait.

Commentary on Success of Cross-Strait Talks

OW2808144594 Beijing Central People's Radio in Mandarin to Taiwan 2200 GMT 26 Aug 94

[News commentary by station editor Yi Xin; from the "News and Current Events" program: "Profound Significance of Success of Tang-Jiao Talks"]

[Text] At the beginning of this month, Tang Shubei, executive vice president of the ARATS [Association for Relations Across the Taiwan Straits], and Jiao Renhe

[Chiao Jen-ho], vice chairman and secretary general of Taiwan's Straits Exchange Foundation [SEF], held talks in Taipei [Taipei]. After three days of negotiations, solutions were found for the questions of repatriation of hijackers, repatriation of illegal immigrants, and the question of handling fishing disputes at sea—all of which had been differences between the two sides for many years. An agreement will be signed and put into effect as soon as possible.

The profound significance of the Taipei talks does not lie solely in resolving the above-mentioned three issues. Judging from the success of the Taipei talks, one feels that the era of high-level dialogue between the two sides has come. During the talks, both sides reached a consensus on strengthening contacts between ARATS and SEF; promoting cross-strait economic, trade, educational, cultural, scientific, technological, journalist, and youth exchanges; opening express mail service; and improving the quality of telephone communications across the strait. The success of the talks presents a very good opportunity for the development of cross-strait relations and has laid a solid foundation for expanded cross-strait exchanges in the days to come.

Recently, major newspapers on the island of Taiwan have reported in detail on prominent pages the news of the positive results of the talks. Of course, people have also noticed that while public opinion inside and outside China was expressing serious concern for and high expectations of the Tang-Jiao talks in Taipei, a small number of Taiwan independence elements tried to disrupt the talks by launching successive protest demonstrations and openly advocating the "one China, one Taiwan" theory.

An article in the "Taiwan Perspective" column of a Hong Kong paper, the TRUTH DAILY, pointed out: The Tang-Jiao talks have brought a win-win situation, and the biggest loser is the protester, the Democratic Progressive Party [DPP]. The DPP organized demonstrations, shouted slogans, threw eggs, and burned the national flag. This demonstrated the DPP's position, but also exposed the party's fierce political operational standards and its hesitation and inability to participate in handling cross-strait relations. It is doubtful whether the people of Taiwan will allow a political party which lacks vision on cross-strait relations and which overemphasizes localism to become a ruling party.

On 13 August, Taiwan's ZHONG GUO SHI BAO [CHUNG KUO SHIH PAO] carried an article entitled "The People of All Circles Question the DPP's Mainland Policy." This was a report on a forum on the DPP's mainland policy, sponsored recently by Taiwan's (Yuedan) Publishing House. Participants in the forum questioned and criticized the DPP's mainland policy, pointing out that, in fact, the DPP has no mainland policy, that it has only its own wishful thinking, and that averting contact with the CPC is impractical. In fact,

some members of the DPP are also in favor of contact with the CPC, but they have been criticized by a small number of Taiwan independence elements in the party as a traitorous clique trying to soften the party's Taiwan independence position.

The mainland side holds that it and the DPP also have many common points. For example, both are concerned about cross-strait stability, prosperity, peace, and people's well-being. The mainland side is hoping that one day it will meet with DPP people under a title appropriate to both sides to exchange views and discuss ways to develop cross-strait relations.

Vice Premier Li Meets With Taiwan, Overseas Scholars

OW2608140694 Beijing XINHUA Domestic Service in Chinese 1229 GMT 25 Aug 94

[By reporter Zhao Wei (6392 5898)]

[Text] Beijing, 25 Aug (XINHUA)—Vice Premier Li Lanqing of the State Council met with Taiwan and overseas scholars who attended a cross-strait seminar on Chinese modernization at Zhongnanhai today.

Li Lanqing welcomed 22 Taiwan and overseas scholars who were invited to attend the seminar. He said: Modernization is the common wish of the peoples on the two sides of the Taiwan Strait. Exchanges and discussions by scholars from both sides at the seminar helped both sides enhance mutual understanding and reach consensus. Li Lanqing added that exchanges and cooperation in the area of natural sciences has been going on across the Taiwan Strait and he hoped that such exchanges will also be conducted in the field of social sciences.

At the meeting, Li Lanqing heard scholars' briefings on the seminar on Chinese modernization. He briefed scholars on the mainland's efforts in developing and improving the people's quality of education.

Mei Kewang, executive chairman of the Academic Research Foundation on Chinese Modernization on Taiwan, spoke at the meeting.

Present at the meeting were Chen Yunlin, the State Council's Taiwan Affairs Office deputy director; Liu Ji, Chinese Academy of Social Science vice president; Wei Yu, vice minister in charge of the State Education Commission; and Liu Gangqi, deputy secretary-general of the Association for Relations Across the Taiwan Strait [ARATS].

The second cross-strait seminar on Chinese modernization concluded yesterday. It was sponsored by ARATS and co-sponsored by the Chinese Academy of Social Science and the State Education Commission. Scholars from the mainland, Taiwan, and overseas held discussions on the "modernization of management" and the "modernization of the people" in terms of education, culture, and population quality. They reached some consensus in some fields.

Cross-Strait Trade Picks Up Momentum*OW2708080394 Taipei CNA in English 0723 GMT
27 Aug 94*

[By Sofia Wu]

[Text] Taipei, Aug. 27 (CNA)—Indirect trade between the two sides of the Taiwan Strait has gradually regained momentum following a slowdown in the wake of the Qiandao Lake travel disaster, the Board of Foreign Trade (BOFT) said Saturday [27 August].

Cross-strait trade via Hong Kong totaled US\$4.57 billion in the first half of this year, up 10.53 percent from the year-earlier level, according to statistics released by Hong Kong customs authorities.

Of the amount, Taiwan exports to the mainland accounted for US\$4.57 billion, up 9.62 percent from the same period of 1993, while imports rose 16.88 percent to US\$605 million.

Boft officials said as some transit goods need not be reported to Hong Kong customs, actual Taiwan shipments to the mainland far exceeded Hong Kong customs tallies.

The officials put indirect Taiwan exports to the mainland during the January-June period at an estimated US\$6.83 billion and total cross-strait trade at US\$7.44 billion.

Based on the estimates, cross-strait trade made up 8.8 percent of Taiwan's total external trade for the six-month period, approaching the government-set ceiling of 10 percent. In terms of exports, the officials said, Taiwan's reliance on the mainland market reached an even higher 15.73 percent.

Cross-strait trade slowed slightly after the March Qiandao Lake travel disaster in which 24 Taiwan tourists were robbed and murdered. But the figure rebounded in June, the officials said. According to Hong Kong tallies, indirect Taiwan-mainland trade totaled US\$880 million in June, up 18.25 percent compared with the same month of 1993. Taiwan shipments to the mainland rose 15.44 percent to US\$770 million, while its imports surged 40.86 percent to US\$110 million.

Relatives of Mainland Fishermen Identify Bodies**To Seek Compensation, Threaten Protest***OW2608125094 Taipei CNA in English 0738 GMT
26 Aug 94*

[By Lilian Wu]

[Text] Taipei, Aug. 26 (CNA)—Relatives of the mainland fishermen who died last month during Typhoon Tim on Friday morning [26 Aug] identified all 10 bodies.

The relatives and a group of mainland journalists arrived at Chiang Kai-shek international airport on Thursday

and proceeded directly to Suao, in northeastern Taiwan, to identify the bodies. The "floating hotel" on which the fishermen were housed ran aground off Suao harbor while seeking refuge from the storm, causing the deaths of the fishermen. The mainland group was accompanied by officials from the Straits Exchange Foundation (SEF) and the Suao Fishermen's Association.

The relatives identified the fishermen's bodies with the help of coroners.

According to Lin Gui-mei, an SEF legal consultant, the relatives were concerned about the amount of compensation they would receive from the owner of the floating hotel—the "Shang Hao No. 3"—and expressed the hope he would come forward to resolve the issue. They said that if they do not receive a response, they are prepared to go to Taipei to protest.

Lin said that the compensation issue was a matter between the owner of the ship and the relatives, but added that the SEF would try its utmost to locate the owner.

Lin also said the relatives did not reject the idea of cremating their loved ones. She said the SEF would arrange for a cremation ceremony on Sunday if the relatives assented.

More on Dead Fishermen*OW2608155194 Taipei CNA in English 1347 GMT
26 Aug 94*

[By Flor Wang]

[Text] Taipei, Aug. 26 (CNA)—Families of the 10 mainland fishermen who drowned off the Taiwan coast in early July asked compensation of US\$30,000 for each of the deceased, Lin Kui-mei, a legal consultant to the Straits Exchange Foundation (SEF) said Friday [26 August].

The issue, however, remains unresolved as Chang Hsi-ming, the owner of the "floating hotel" on which the fishermen perished during Typhoon Tim, failed to show up to discuss the issue with the fishermen's families.

The 10 mainland fishermen were illegally housed by Chang aboard the boat, the "Shang Hao No. 3," which ran aground in the Suao Harbor as it tried to seek shelter from the tropical storm.

If Chang refuses to compensate the families as they requested, the families said they will not agree to have the fishermen's bodies cremated here and will stage a protest.

Chang earlier offered compensation of US\$2,000 for each of the dead men, but the offer was rejected by the families, who also asked Chang to wear proper mourning garb in respect of the dead.

Meanwhile, Lin, who is the director of the SEF's Legal Service Department, called on the families of the mainland fishermen to handle the compensation issue and the manner of the disposal of the victims' bodies separately so that a proper funeral could commence immediately.

The SEF is the intermediary body authorized by the government to handle civilian issues with Mainland China in the absence of official ties between the two sides.

Bodies of Fishermen Cremated

OW2908085494 Taipei CNA in English 0831 GMT
29 Aug 94

[By Lilian Wu]

[Text] Taipei, Aug. 29 (CNA)—The bodies of 10 mainland fishermen who drowned last month were cremated in Hualien, northeastern Taiwan Monday [29 August].

Relatives of the deceased, accompanied by Straits Exchange Foundation (SEF) officials, went to Hualien County from Suao Monday morning. The relatives wept when they saw the coffins of their loved ones sent to the crematorium.

Despite an offer by a Hong Kong businessman to pay US\$300,000 in compensation to the relatives for the deaths of their loved ones, differences among the relatives stalled negotiations.

Relatives said Monday that they appreciated the kindness of businessman Huang Chou-hsuan, but they still accused the boat owner of negligence leading to the deaths of the 10 mainlanders. The 10 died when the ship they were living on ran aground while trying to take shelter in Suao Harbor from Typhoon Tim July 10.

Huang said Saturday that he was willing to contribute the money out of humanitarian reasons and compatriotic love, hoping that it would help end the dispute between boat owner Chang Hsi-ming and the mainland relatives.

Following a public memorial service for the deceased Sunday morning, relatives met with Chang in the afternoon. Relatives said they would lower their compensation demand from US\$30,000 to US\$18,000 for each mainlander drowned, while Chang said he could only pay US\$2,500 according to employment contracts. The talks broke down without any agreement.

As the relatives could not agree whether to accept the cash from Huang, no decision on compensation has been made. It is not clear whether the relatives will leave as scheduled Tuesday morning.

Outgoing Envoy Says Washington-Taipei Ties 'Improving'

OW2608125794 Taipei CNA in English 0733 GMT
26 Aug 94

[By Bill Wang]

[Text] Washington, Aug. 25 (CNA)—Taipei's outgoing envoy to Washington said Thursday [25 Aug] that relations between his country and the United States are improving, as evidenced by the U.S. Government's decision to review its policy toward Taiwan.

Ding Mou-shih told reporters here that he hopes the outcome of the Clinton administration's policy review will reflect the importance of Washington's ties with Taipei and give his country due respect.

Ding, 69, also expressed the hope that the review, which has been going on for more than a year, will be completed before he leaves his post here in mid-September. The senior diplomat will resume duties as secretary-general of the ROC's [Republic of China] National Security Council on Sept. 1 in Taipei.

The widely respected envoy said Washington's policy toward Taiwan has not been able to keep abreast of the island's achievements in economic development, democratization, liberalization, and especially the aspirations of the 21 million people on Taiwan.

For example, he said, it is illogical that while former Education Minister Mao Kao-wen was able to attend a function in 1992 at the U.S. State Department in the context of the Asia-Pacific Economic Cooperation forum, many officials from Taipei have had to meet their U.S. counterparts outside of U.S. Government buildings for discussions on matters of mutual concern.

He said Taipei also takes exception to Washington's one-China policy, which recognizes Beijing as the only government in China. He said Taipei has jurisdiction over the territory under its control, and that it cannot be deprived of its jurisdiction just because of claims made on it by other entities.

And while economic ties remain important, he added, security and cultural ties also play crucial roles in the relationship between the two countries.

He noted that the United States remains Taiwan's largest export market, and that the island also provides the United States with a market twice the size of the Chinese Mainland in terms of exports.

He said he is proud of the efforts made by his government to address the trade imbalance between the two countries. As a result of Taipei's efforts, its trade surplus with the United States has been cut by half from a high of U.S.\$16 billion registered just before he arrived here in 1988.

Meanwhile, he said, Washington has been able to honor its commitment to his country's security under the Taiwan Relations Act, an area extremely important to the island.

As to cultural and educational ties, he noted that the number of Taiwan students in the United States has increased from the 26,600 who were here when he first arrived to the current total of 38,000.

Ding declined comment on press reports that Benjamin Lu, Taipei's envoy to Belgium, will be replacing him, saying only that Taipei knows full well the importance of the post, and that the talent of his successor should be commensurate to the importance of the post.

Li Teng-hui Meets U.S. House Armed Services Delegation

*OW2908093594 Taipei CNA in English 0848 GMT
29 Aug 94*

[By Debbie Kuo]

[Text] Taipei, Aug. 29 (CNA)—Stability has been the major factor contributing to Taiwan's economic and political development over the past forty years, president Li Teng-hui said Monday [29 August].

The Republic of China [ROC] is grateful for the United States Government and its people for supplying Taiwan with military equipment which has helped ensure the island's stability, Li said during a meeting with a delegation from the US House Armed Services Committee.

Li said even though Taiwan is actively seeking more weaponry, all such equipment is used for defending the Republic of China's sovereignty over Taiwan, its social stability and the livelihood of the people. "None of the defense readiness is for offense," he asserted.

Among the 17-member house delegation present at the president's audience were Rep. Marilyn Lloyd (D-Tenn.) and her husband Dr. Bob Fowler, Rep. Floyd Spence (R-S.C.), Rep. Solomon Ortiz (D-Texas), Rep. Butler Derrick (D-S.C.), and Rep. William Hughes (D-N.J.), and their wives.

The US representatives are here mainly to familiarize themselves with the latest developments in cross-Taiwan Strait relations and ties between Taiwan and the United States.

The group arrived in Taipei Sunday for a four-day visit.

Vice President Li Makes 28 Aug Stopover in Los Angeles

*OW2908084194 Taipei CNA in English 0818 GMT
29 Aug 94*

[By Philip Liu and Danielle Yang]

[Text] Los Angeles, Aug. 28 (CNA)—Republic of China [ROC] Vice President Li Yuan-zu made a stopover in Los Angeles Sunday [28 August] en route to Panama.

Li, as a special envoy of president Li Teng-hui, will attend the inauguration ceremony of Panamanian President-Elect Ernesto Perez Balladarez slated for Sept. 1.

While here, Li conveyed President Li's regards to the overseas Chinese community. Li said that the president welcomes overseas Chinese to return to Taiwan and help in national development.

Li was greeted upon arrival by Ding Mou-shih, representative of the Coordination Council for North American Affairs (CCNAA) in the United States, CCNAA's Los Angeles Office Director Ou Yang Jui-hsiung, and chairman of the American Institute in Taiwan Natale Bellocchi.

Li will dine with Ding and Bellocchi Sunday evening and is scheduled to fly to Panama via Miami Monday morning.

He was accompanied by Presidential Deputy Secretary-General Raymond Tai, Transportation and Communications Minister Liu Chao-shiuan, and Vice Foreign Affairs Minister Fang Chin-yen. Members of the mission will return to Taiwan Sept. 4.

Taipei To Open More Products to Mainland Investment

*OW2908092694 Taipei CNA in English 0840 GMT
29 Aug 94*

[By Lilian Wu]

[Text] Taipei, Aug. 29 (CNA)—Taiwan will allow investment in the production of an additional 285 products in Mainland China, the Ministry of Economic Affairs said Monday [29 August].

Among the 285 products approved for production in the mainland, machinery products accounted for the lion's share of 104 items, followed by textiles with 85 items.

Economic Affairs Minister P.K. Chiang said his ministry approved investment in the additional products to give Taiwan investors the opportunity to boost trade opportunities there.

Among the items approved for investment are computer terminals and mice, cylinders and car bodies, video tape recorders and compressors.

Monday's announcement was the first round in a series of planned investment liberalizations. The ministry will announce the second and third waves in September and October.

After the scheduled announcement in October, Taiwan investors will be allowed to invest in 4,440 items in the mainland, nearly half of the 9,000 products produced here.

Chiang said the investment liberalizations came after several rounds of talks with Taiwan manufacturers. A decision on which products to open for investment was made after taking mainland policy and manufacturer demands into consideration.

If Taiwan industry wants to continue to develop, he said, some industries must move to the mainland, while

production of hi-tech and high value-added products should remain in Taiwan.

Taipei To Protect Copyrights of Foreign Works

*OW2708072494 Taipei Voice of Free China in English
0200 GMT 26 Aug 94*

[Text] The government will scrap the existing copyright registration system and extend copyright protection to any creative works immediately after they are completed. (Louis Wang), chairman of the ministry's copyright committee, said: The copyright law is written to meet requirements for entering the General Agreement on Tariffs and Trade. Under the revision, the government will grant copyright protection to books originated from all foreign countries. This is a sharp contrast to the previous practice that copyright protection was given to only works from the U.S. and Britain. Accordingly, unauthorized translations of any foreign works should be sold out within two years, following the enacting of the revised copyright law.

It is stated that the new regulations will trigger a sales storm in the domestic market for such translated works. Also among the revision is that MTV and KTV dens will be required to purchase the copyrights to relevant videotapes, compact discs, laser discs, and other audio-visual works for public showing.

Spokesman Denies Cambodian Prince Seeking Asylum

*OW2708072194 Taipei CNA in English 0658 GMT
27 Aug 94*

[By Benjamin Yeh]

[Text] Taipei, Aug. 27 (CNA)—Foreign Ministry Spokesman Rock Leng Friday [26 August] denied reports that Cambodia's rebel Prince Norodom Chakrapong, who allegedly led a recent coup attempt in that country, is seeking political asylum in the Republic of China [ROC].

"The ROC Government has not received his application for asylum," Leng said, adding that under the present government policy any request by foreigners for political asylum will be denied.

Cambodian Prime Minister Prince Norodom Ranariddh, Chakrapong's estranged half-brother, told reporters in Bangkok that Chakrapong is leaving for Taipei.

Chakrapong fled Phnom Penh for Kuala Lumpur last month after he was accused of leading a coup attempt against Ranariddh, and Hun Sen, who share Cambodia's premiership.

Hong Kong

PRC Official Urges Positive British Attitude

HK2908095694 Hong Kong WEN WEI PO in Chinese
25 Aug 94 p A11

[Report: "Hong Kong XINHUA Deputy Director Zheng Guoxiong Hopes That Next Month's JLG Meeting Will Achieve Results"]

[Text] Zheng Guoxiong, deputy director of XINHUA's Hong Kong Branch, has said that the Chinese side considers the progress of the work of the Sino-British Joint Liaison Group (JLG) too slow and believes it should be expedited. The Chinese side hopes that the British side can adopt a positive attitude and solve the substantive problems in the areas of the people's livelihood and the economy in Hong Kong. He said that the JLG will hold meeting in September, and the Chinese side hopes it can achieve results.

Zheng Guoxiong made these remarks yesterday when attending a reception celebrating the 30th anniversary of the founding of the workers' club of the Hong Kong Federation of Trade Unions.

Zheng Guoxiong said that, whenever the JLG holds meeting, the Chinese side's subjective wish is to see some result. He asked: Why bother holding the meeting if you think it is going to be fruitless before it is even held. The JLG will hold a meeting in September, and the Chinese side hopes to cooperate with the British side in the areas of the people's livelihood and the economy and hopes that the British side can adopt a positive attitude and carry out serious discussions in order to solve several substantive problems.

Zheng Guoxiong pointed out that there are still many problems waiting to be discussed and solved by the JLG, and the Chinese side also feels that the JLG's progress has been slow and wants to quicken the pace of the work. But the problem cannot be solved just by the efforts of the Chinese side, and both the Chinese and British sides should make efforts to expedite the work of the JLG.

Zheng Guoxiong said: Concerning the issue of the new airport, there is the Sino-British Airport Committee, which is an organ under the JLG set up to study the new airport. Because both sides have yet to reach consensus on several problems, at present, the experts on both sides are still maintaining regular contact, in the hope that progress can be made, so as to reach an agreement as soon as possible.

Zheng Guoxiong reiterated that the Chinese side's stance on the issue of the new airport is very clear, and the main principle is that it should be handled according to the Memorandum of Understanding on the New Airport. The British side's fourth financial plan involves borrowings totaling 23 billion Hong Kong dollars; the Chinese side, in order to reach an agreement as soon as possible, has already made a great concession. But the British side

has raised other side issues and has made some additional demands, to the extent that an agreement has yet to be concluded.

Zheng Guoxiong said that, in fact, the problem can be solved, and the crux is whether the British side can show sincerity and first tackle the overall financial arrangement. Because this is the most important element of the whole new airport plan, only when both sides come closer in their views on this problem and reach an agreement, can they discuss and tackle other problems, including support for two organizations which require loans.

A reporter asked: Are you not optimistic about the atmosphere for the meeting between the Chinese foreign minister and the British foreign secretary at the United Nations? Zheng Guoxiong said he believed that, under the current circumstances, the atmosphere for the meeting between the foreign minister and the foreign secretary cannot be very good.

XINHUA Official Questions British Side's Sincerity

HK2908032794 Hong Kong WEN WEI PO in Chinese
28 Aug 94 p A15

[Report: "Zhang Junsheng, deputy head of XINHUA Hong Kong Branch, Urges British Side To Show Minimum Sincerity for Cooperation"]

[Text] Yesterday, when mentioning the recent remarks by Vice Premier Qian Qichen, Zhang Junsheng, deputy director of the XINHUA Hong Kong Branch, said: If the British side really desires to cooperate, it is hoped they will show the minimum sincerity for cooperation. He believed that the British side should be able to understand the meaning of Vice Premier Qian's remarks.

Zhang Junsheng made these remarks when answering reporters' questions before attending the farewell dinner at Tsimshatsui's Regent Hotel in honor of people attending a college student sports meeting. He said: While meeting in Beijing with the visiting delegation from Hong Kong's Commercial Radio, the vice premier made it plain that he will meet with British Foreign Secretary Hurd next month when attending the UN General Assembly, and that the meeting will be arranged for a bit longer because it is hoped that it will be a serious meeting.

Zhang Junsheng said: Vice Premier Qian also explicitly pointed out that while expressing its hope to restore cooperation with China, the British side continues to create trouble on the Hong Kong issue. Therefore, if the British side really desires to cooperate, it at least should show its minimum sincerity for cooperation. Zhang Junsheng said that Vice Premier Qian had made this point plain and clear. Zhang added that he himself was present on the occasion when the vice premier made the statement.

A reporter asked him what Vice Premier Qian really meant by requiring the British side to show its minimum sincerity for cooperation, and Zhang Junsheng said: "It is believed that the British side should be able to understand the meaning of Vice Premier Qian's remarks."

A reporter mentioned that British Foreign Secretary Hurd would meet Martin Lee of Hong Kong's United Democrats, and asked whether the Chinese side regarded this as a sign of non-cooperation. Zhang Junsheng answered: "That is their business. I think that the British side should give serious consideration to the question of how to return to the path of the Sino-British Joint Declaration and Sino-British cooperation in the final stage of Hong Kong's transitional period."

When asked about whether the detention of Wang Dan in Beijing would have any impact on U.S. Commerce Secretary Brown's current visit to China, Zhang Junsheng said: This is an internal affair of the Chinese Government, and the Chinese Government is acting according to the law. He then added: There are 1.2 billion people in the whole country of China; would you be arrested if you do not violate the laws?

Congress Decision Will 'Help Stabilize' Hong Kong

*HK2908045894 Beijing CHINA DAILY in English
29 Aug 94 p 3*

[By Ma Chenguang: "NPC Order To Clarify 1997 Moves"]

[Text] The Chinese legislature's eventual decision on the Hong Kong issue will only help stabilize the situation in the territory and promote smooth transition, a senior Chinese legislator said over the weekend.

By clearing away misleading comments by the Hong Kong Government, the order will give the region's residents a precise idea about what Hong Kong "will actually be like," lawmaker Zhou Nan said.

China's legislature, the Standing Committee of the National People's Congress (NPC), was debating a motion put forward by 32 NPC deputies to end the present Hong Kong Legislative Council and government on June 30, 1997 and start completely new organs of power the following day.

The planned move confronts Hong Kong Governor Chris Patten's acts in publicizing his "reform package" earlier this year and then tampering with the Legislative Council in passing it last month, said Zhou, a standing committee member.

Zhou, also director of the Xinhua News Agency Hong Kong Branch, was attending the ongoing ninth session of the NPC Standing Committee, which began last Wednesday in Beijing.

"By doing so, Patten closed the doors on any cooperation with China," Zhou said on Saturday. The only thing for

China to do now is quite natural: To refute Patten's attempts and initiate a new measure to run Hong Kong, Zhou said.

"Otherwise, it seems to show that China will give tacit consent to the forthcoming Legislative Council and district organizations which will come out in line with Patten's package," he said.

"The proposed decision (to end and replace the Hong Kong Legislative Council and government on July 1, 1997) is not only timely, but also necessary," added Zhou.

On Friday and Saturday, delegates at the standing committee session also deliberated three draft bills on the central bank, commercial bank, and advertising.

Some legislators proposed an advertising ban on tobacco, alcohol, and medicines, according to a Xinhua report.

"Advertising tobacco and alcohol should be banned," Li Xuge, member of the Standing Committee of the NPC said.

"Manufacturers and advertising agencies alike may have to sacrifice part of their profits, but the general public, especially the younger generation, will benefit," he said.

Yang Zhenya, another NPC Standing Committee member, proposed that advertisements for medicines should be restricted to certain specialized medical journals.

"Ads for medicines are notoriously inaccurate and make wild claims. People without specialized knowledge cannot evaluate them," Yang said.

Similar rules have already been enacted in developed countries and regions, and with success, for the good of the health of the public, lawmakers said.

"Since China has not banned such advertisements, foreign tobacco and alcohol manufacturers have poured in, to the detriment of the public's health," Yang complained.

Legislators also said they wanted tougher sanctions against illegal advertising.

The maximum fine for lawbreakers in this respect should be elevated from the current 200,000 yuan (\$23,310), and specific administrative and criminal punishment should be included in the draft, said Yang Zhenya.

All the parties involved in illegal advertising and the advertiser agency and media, should shoulder more responsibility, he said.

PRC Foreign Minister Pledges To Maintain U.S. Dollar

*HK2808063294 Hong Kong SOUTH CHINA SUNDAY MORNING POST (SUNDAY MONEY) in English
28 Aug 94 p 1*

[By Simon Pritchard and Quinton Chan]

[Text] China will maintain Hong Kong's pegged exchange rate after the 1997 handover to mainland rule, a senior Chinese government minister said yesterday. Foreign Minister Qian Qichen told a Hong Kong delegation in Beijing the Hong Kong dollar would remain pegged to the U.S. currency beyond 1997.

Mr Qian said that, although Britain and China had suffered political disagreements Beijing was committed to maintaining economic stability in Hong Kong. He said Hong Kong should concentrate on economic development and warned it not to become a political city.

The statement was in line with Chinese Government policy, according to Dr Miron Mushkat, chief regional economist at U.S.-based broking house Lehman Brothers. "Given China's rejection of the Patten reforms and the previously agreed political blueprint for Hong Kong, Beijing could be trying to reinforce its commitment to economic stability," he said.

He said maintaining the pegged exchange rate was the only sensible policy Beijing could pursue, although he warned not to read too much into the comments since policy making in China was arbitrary and could change at any time. The exchange rate is pegged at about 7.78 Hong Kong dollars to the U.S. unit.

Qian Qichen Meets Kowloon Chamber of Commerce Delegation

HK2908030994 Hong Kong WEN WEI PO in Chinese
28 Aug 94 p A2

[By staff reporter Li Hsiao-ping (2621 4562 0393): "Qian Qichen Meets With Delegation of Kowloon General Chamber of Commerce From Hong Kong"]

[Text] Beijing, 27 Aug (WEN WEI PO)—In Beijing's Diaoyutai National Guest House today, Qian Qichen, vice premier of the State Council and minister of foreign affairs, met with the visiting delegation of the Kowloon General Chamber of Commerce, headed by Lo Pan. Qian said: Although there are some difficulties in Sino-British relations, Hong Kong's economy remains quite stable, and it is believed that this situation will be maintained beyond 1997.

At the meeting, Qian Qichen said that the Chinese Government resolved the Hong Kong issue according to the principle of "one country, two systems," pursues the policy of "leaving Hong Kong to be governed by local people so that Hong Kong can exercise a high degree of self-government," and will keep the existing capitalist system and lifestyle unchanged. This does not take into account only the interests of the Hong Kong compatriots, but is also beneficial to the development of the mainland. Qian Qichen hoped that Hong Kong compatriots would unite to properly handle Hong Kong's affairs and jointly safeguard its prosperity and stability.

At the meeting, Qian Qichen said: Maintaining Hong Kong's status as an international economic, trade, and

financial center is beneficial not only to Hong Kong, but also to the mainland. The handling of Hong Kong affairs should be oriented toward maintaining Hong Kong's prosperity and stability.

Qian Qichen said: China's re-exercise of state sovereignty over Hong Kong will wash away the Chinese national humiliation in history, and this is an important matter that is gratifying to all the Chinese people. He said: It is believed that China will have a bright future.

Qian Qichen also told the guests about the current situation of reform, opening up, and economic development in the mainland. He said: At present, the overall economic situation in the mainland is very good, and this is also favorable to Hong Kong's development.

Qian Qichen expressed a welcome for the delegation's visit, saying: The Kowloon General Chamber of Commerce has close relations with the All-China Federation of Industry and Commerce, and will continue to increase exchanges. This is of significance.

Jiang Minkuan, deputy director of the CPC Central United Front Work Department; Chen Ziyang, deputy director of the State Council's Hong Kong and Macao Affairs Office; and Zhang Xuwu, vice chairman of the All-China Federation of Industry and Commerce; were present at the meeting.

Today's meeting lasted one hour. Wong Chi-hung, deputy head of the delegation, said after the meeting that Qian Qichen gave encouraging affirmation to the work of the Kowloon General Chamber of Commerce in various aspects, and hoped that the business organization would continue to maintain close relations with various communities in the Asia-Pacific region, continue to expand commercial and trade exchanges, and encourage more overseas Chinese businessmen to invest in China.

When discussing relations with Taiwan, Wong Chi-hung quoted Qian Qichen as saying that economic and trade relations with Taiwan must not be stopped and should be further strengthened. Qian encouraged the Kowloon General Chamber of Commerce to further develop economic and trade relations with Taiwan. Qian Qichen reiterated that the mainland and Hong Kong are closely bound up by common interests; with the further development of reform, opening up, and economic growth in the mainland, Hong Kong surely will enjoy a brighter economic future.

Local XINHUA Official Defends Detention of Wang Dan

HK2808050994 Hong Kong SOUTH CHINA SUNDAY MORNING POST in English 28 Aug 94 pp 1, 7

[By Geoffrey Crothall in Beijing and agencies]

[Excerpts] Wang Dan, one of the best-known student leaders of the 1989 pro-democracy demonstrations in

Tiananmen Square, was detained by mainland police yesterday—hours before the arrival in Beijing of the most senior American official to visit China since Washington separated trade privileges from human rights. Five or six officers served Wang, 25, with a summons yesterday afternoon and took him from his home, said relatives.

But United States Secretary of Commerce Ron Brown refused to react to what Western diplomats in Beijing said was a deliberate act of provocation. Shortly after arriving in the Chinese capital last night, Mr Brown said: "I don't think anything will mar our visit. Obviously we are leading a commercial mission to enhance the commercial relationship between China and the United States, but I'm sure I will be briefed on this matter by the ambassador and others." [passage omitted]

In Hong Kong, Xinhua (the New China News Agency) deputy director Zhang Junsheng defended Wang's arrest. "Our government follows the rule of law," Mr Zhang said. "If he had not committed a crime, why would we arrest him? This is an internal affair of ours and it is for China alone to handle."

But pro-democracy protesters gathered outside Xinhua's Happy Valley headquarters to demonstrate against the arrest, calling for the immediate release of Wang and other dissidents. Legislator Szeto Wah leader of the Hong Kong Alliance in Support of the Patriotic Democratic Movement in China, blamed US President Bill Clinton's renewal of Beijing's Most Favoured Nation (MFN) trading status for the arrest.

In declaring an end to the annual battles over China's MFN status on May 26, Mr Clinton said it was better to rely on dialogue as the means to encourage China improve its human rights. [passage omitted]

Editorial Says Dissident Detentions Seek To Embarrass U.S.

HK2808062994 Hong Kong SOUTH CHINA SUNDAY MORNING POST in English 28 Aug 94 p 16

[Editorial: "Cost of Doing Deals With China"]

[Text] It all seems so familiar. Former Chinese student leader Wang Dan's detention, only hours before U.S. Commerce Secretary Ron Brown arrived in Beijing last night, is strikingly reminiscent of Beijing's behaviour during Secretary of State Warren Christopher's visit last March.

On that occasion, Beijing rounded up several dissidents and did its best to humiliate Mr Christopher, despite the fact that he was the one who ostensibly held all the cards: in deciding whether to renew China's Most Favoured Nation (MFN) trading status.

This time round it is different. With the threat of losing MFN no longer hanging over Beijing, and Mr Brown instead very much in the position of supplicant, wanting

to secure U.S. \$6 billion in contracts for American companies, China can be expected to be even more aggressive.

After years of having to bow to U.S. pressure for fear of losing its trading privileges, mainland leaders are only just beginning to realise the ball is now in their court.

Wang Dan's detention comes less than a day after a Beijing court sentenced three other dissidents to long jail terms in an attempt to embarrass the Americans.

All this will inevitably cast a shadow over this week's visit, which was meant to seal normal relations between the two trading giants. Instead the tensions of the past few years are set to continue for a little longer. That is bad news, not only for the territory but also for Beijing, which says it wants good relations with the U.S. and should realise how easily they can be attained.

A successful visit by Mr Brown would probably have paved the way for a similar trip by President Bill Clinton next year—a diplomatic prize which it would be well worth China's efforts to secure.

Now any prospect of that seems out of immediate reach. Until Beijing learns to exercise a little more restraint, and even a touch of diplomatic tact in dealing with its dissidents, a visit from Mr Clinton will have to wait.

Macao

Vice Premier Li Lanqing Meets Macao Visitors

OW2508143794 Beijing XINHUA in English 1416 GMT 25 Aug 94

[Text] Beijing, August 25 (XINHUA)—Chinese Vice-Premier Li Lanqing expressed the hope today that Macao would play a positive role as a bridge that links trade between Chinese Mainland and Europe, especially the European Community countries.

Meeting here today with an industrial and trade delegation headed by Leong Song, president of Macao Industrial Association, Li said it is China's basic policy to maintain social stability and economic development in Macao.

"We hope that Macao would maintain its stability and development during the transitional period and become more prosperous after 1999", he added.

The vice-premier also expressed the hope that the Macao Industrial Association would strengthen exchanges and join hands with trade and science departments on the mainland in the research and development of new products. Such cooperation would be beneficial to both sides, especially to the readjustment of Macao's economic structure, Li noted.

Leong briefed Li on the current situation of Macao's economy and trade and expressed the hope that the

economic and trade cooperation between Macao and the mainland would be enhanced.

Leong and his delegation arrived here yesterday.

Macao Governor To Visit China Beginning 30 Aug

OW2708143294 Beijing XINHUA in English 1323 GMT 27 Aug 94

[Text] Macao, August 27 (XINHUA)—Macao Governor General Vasco Joaquim Rocha Vieira said that trust and sincerity are the main tunes of the good relations between the two governments of China and Portugal.

In a recent interview with XINHUA, the governor said that the Governments of Portugal and China have been all along cooperative through friendly consultation and dialog to resolve matters relating to the Macao issue.

He noted that the goals of the two governments are the same for the process of Macao's further development.

The governor said through abiding by the Sino-Portuguese Joint Declaration and the principles stipulated by the basic law of the Macao Special Administrative Region, Macao is making great efforts to raise its international status, maintain its sustained economic development and unique cultural characteristics.

He pointed out, at present, it has become especially important for the Macao Government and the Chinese Government to cooperate on the future construction of macao.

At the invitation of the Chinese Ministry of Foreign Affairs, the Macao governor will start an eight-day official visit to China's Mainland from August 30.

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